RNS Number : 4802M
Johnson Matthey PLC
12 June 2025

12th June 2025

Johnson Matthey Plc

(the "Company")

Annual Report and Accounts 2025

Appendix Part 2 (see RNS number 4800M for Part 1)

Johnson Matthey Plc

Final Audited Results for the year ended 31st March 2025

21 Movements in assets and liabilities arising from financing activities

			Non-cash movements				
	2024	Cash (inflow) / outflow	Transfers	Transfers to held for sale	Foreign exchange movements	Fair value and other movements	2025
	£m	£m	£m	£m	£m	£m	£m
Non-current assets							
Derivative financial instruments - cross currency and interest rate swaps	15	-	(14)	-	(1)	4	**4**
Non-current liabilities							
Borrowings	(1,339)	(297)	312	-	13	10	**(1,301)**
Derivative financial instruments - cross currency and interest rate swaps	(10)	-	1	-	-	-	**(9)**
Lease liabilities	(24)	-	6	-	-	(22)	**(40)**
Current assets							
Derivative financial instruments - cross currency and interest rate swaps	-	-	13	-	(2)	2	**13**
Current liabilities							
Borrowings	(110)	84	(309)	-	2	-	**(333)**
Derivative financial instruments - cross currency and interest rate swaps	-	-	(3)	-	-	2	**(1)**
Lease liabilities	(8)	9	(6)	-	-	(1)	**(6)**
Net movements in assets and liabilities arising from financing activities		**(204)**	**-**	**-**	**12**	**(5)**	

Purchase of treasury shares	251
Dividends paid to equity shareholders	138
Interest paid	148

Net cash outflow from financing activities	**333**

	2023	Cash outflow	Non-cash movements: Transfers	Transfers to held for sale	Foreign exchange movements	Fair value and other movements	2024
	£m	£m	£m	£m	£m	£m	£m
Non-current assets							
Derivative financial instruments	20	-	-	-	-	(5)	**15**
Non-current liabilities							
Borrowings	(1,460)	-	105	-	16	-	**(1,339)**
Derivative financial instruments	(15)	-	-	-	-	5	**(10)**
Lease liabilities	(31)	-	10	4	2	(9)	**(24)**
Current liabilities							
Borrowings	(155)	150	(105)	-	-	-	**(110)**
Lease liabilities	(9)	11	(10)	1	-	(1)	**(8)**
Net movements in assets and liabilities arising from financing activities		**161**	**-**	**5**	**18**	**(10)**	

Dividends paid to equity shareholders	141
Interest paid	137
Net cash outflow from financing activities	**439**

22 Provisions

	Restructuring provisions	Warranty and technology provisions	Other provisions	Total
	£m	£m	£m	£m
At 1st April 2023	38	12	41	91
Charge for the year	36	2	7	45
Utilised	(34)	(2)	(1)	(37)
Released	(10)	(4)	(5)	(19)
At 31st March 2024	**30**	**8**	**42**	**80**
Charge for the year	36	1	7	**44**
Utilised	(24)	(2)	-	**(26)**
Released	-	(2)	(1)	**(3)**

At 31st March 2025	**42**	**5**	**48**	**95**

	2025	2024
	£m	£m
Current	69	63
Non-current	26	17
Total provisions	**95**	**80**

Restructuring

The restructuring provisions are part of the group's efficiency initiatives (see note 6) and are expected to be utilised within one year.

Warranty and technology

The warranty and technology provisions represent management's best estimate of the group's liability under warranties granted and remedial work required under technology licences based on past experience in Clean Air and Catalyst Technologies. Warranties generally cover a period of up to three years.

Other

The other provisions include environmental and legal provisions arising across the group. Amounts provided reflect management's best estimate of the expenditure required to settle the obligations at the balance sheet date.

23 Deferred tax

	Property, plant and equipment	Post-employment benefits	Provisions	Inventories	Intangibles	Other	Total deferred tax (assets) / liabilities
	£m	£m	£m	£m	£m	£m	£m
At 1st April 2023	(37)	55	(55)	(26)	(17)	(22)	(102)
Charge / (credit) to the income statement	-	3	(8)	(1)	25	(31)	(12)
Transferred to assets classified as held for sale	-	-	-	-	-	4	4
Tax on items taken directly to or transferred from equity	-	(17)	-	-	-	-	(17)
Exchange adjustments	-	-	-	-	-	1	1
At 31st March 2024	**(37)**	**41**	**(63)**	**(27)**	**8**	**(48)**	**(126)**
(Credit) / charge to the income statement (note 9)	(22)	12	19	13	4	(26)	**-**
Reclassification	-	-	6	(4)	-	(2)	**-**
Tax on items taken directly to or transferred from equity	-	8	-	-	-	(10)	**(2)**
Exchange adjustments	(1)	1	1	-	-	(4)	**(3)**
At 31st March 2025	**(60)**	**62**	**(37)**	**(18)**	**12**	**(90)**	**(131)**

	2025	2024

	£m	£m
Deferred tax assets	(135)	(128)
Deferred tax liabilities	4	2
Net amount	**(131)**	**(126)**

Deferred tax has not been recognised in respect of tax losses of £245 million (2024: £158 million) and other temporary differences of £30 million (2024: £8 million). Of the total tax losses, £112 million (2024: £69 million) is expected to expire within 5 years, £36 million within 5 to 10 years (2024: £36 million), £nil after 10 years (2024: £nil) and £97 million carry no expiry (2024: £53 million). These deferred tax assets have not been recognised on the basis that their future economic benefit is not probable.

In addition, the group's overseas subsidiaries have net unremitted earnings of £3,426 million (2024: £1,149 million), resulting in gross temporary differences of £860 million (2024: £451 million). No deferred tax has been provided in respect of these differences since the timing of the reversals can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The recognition of deferred tax assets has been determined by the recoverability of those assets against future tax liabilities as determined by budgets and plans that are showing profits in relevant businesses. The majority of the deferred tax assets and liabilities noted above are anticipated to be realised after more than 12 months.

24 Post-employment benefits

Background

Pension plans

The group operates a number of post-employment retirement and medical benefit plans around the world. The retirement plans in the UK, US and other countries include both defined contribution and defined benefit plans.

For defined contribution plans, retirement benefits are determined by the value of funds arising from contributions paid in respect of each employee and the investment returns on those contributions prior to retirement.

For defined benefit plans, which include final salary, career average and other types of plans with committed pension payments, the retirement benefits are based on factors, such as the employee's pensionable salary and length of service. The majority of the group's final salary and career average defined benefit retirement plans are now closed to new entrants and future accrual.

Regulatory framework and governance

The UK pension plan, the Johnson Matthey Employees' Pension Scheme (JMEPS), is a registered arrangement established under trust law and, as such, is subject to UK pension, tax and trust legislation. It is managed by a corporate trustee, JMEPS Trustees Limited. The trustee board includes representatives appointed by both the parent company and employees and includes an independent chairman.

Although the parent company bears the financial cost of the plan, the trustee directors are responsible for the overall management and governance of JMEPS, including compliance with all applicable legislation and regulations. The trustee directors are required by law to act in the interests of all relevant beneficiaries and: to set certain policies; to manage the day-to-day administration of the benefits; and to set the plan's investment strategy following consultation with the parent company.

UK pensions are regulated by the Pensions Regulator whose statutory objectives and regulatory powers are described on its website: www.thepensionsregulator.gov.uk

The JMEPS Trustee Board considers how climate risk is integrated within investment processes when appointing, monitoring and withdrawing from investment managers using the investment consultant's Environmental, Social and Governance (ESG) ratings. The ESG ratings include consideration of climate risk management policies. On a periodic basis, JMEPS will review the ESG ratings assigned to the underlying investments based on the investment consultant's ESG research.

The US pension plans are qualified pension arrangements and are subject to the requirements of the Employee Retirement Income Security Act, the Pension Protection Act 2006 and the Department of Labor and Internal Revenue. The plans are managed by a pension committee which acts as the fiduciary and, as such, is ultimately responsible for: the management of the plans' investments; compliance with all applicable legislation and regulations; and overseeing the general management of the plans.

Other trustee or fiduciary arrangements that have similar responsibilities and obligations are in place for the group's other funded defined benefit pension plans outside of the UK and US.

Benefits

The UK defined benefit pension plan is segregated into two sections - a legacy section which provides final salary and career average pension benefits and a hybrid arrangement which provides three levels of membership offering cash balance and defined contribution sections.

The legacy section provides benefits to members in the form of a set level of pension payable for life based on the member's length of service and final pensionable salary at retirement or averaged over their career with the company. The majority of the benefits attract inflation-related increases both before and after retirement. The final salary element of the legacy section was closed to future accrual of benefits from 1st April 2010 and the career average element of the legacy section was closed to new entrants on 1st October 2012 and closed to future accrual on 31st March 2024.

The cash balance section provides benefits to members at the point of retirement in the form of a cash lump sum. The benefits attract inflation-related increases before retirement but, following the payment of the retirement lump sum benefit, the plan has no obligation to pay any further benefits to the member. All new employees join the defined contribution section but have the opportunity to switch to the cash balance section of the plan within 60 days of joining the Company.

The group operates two defined benefit pension plans in the US. The hourly pension plan is for unionised employees and provides a fixed retirement benefit for life based upon years of service. The salaried pension plan provides retirement benefits for life based on the member's length of service and final pensionable salary (averaged over the last five years). The salaried plan benefits attract inflation-related increases before leaving but are non-increasing thereafter. On retirement, members in either plan have the option to take the cash value of their benefit instead of a lifetime annuity in which case the plan has no obligation to pay any further benefits to the member.

The US salaried pension plan was closed to new entrants on 1st September 2013, and the US hourly pension plan was closed to new entrants on 1st January 2019. The hourly pension plan remains open to future accrual for existing members but the salaried pension plan was closed to future accrual from 1st July 2023 with plan participants transferring to a defined contribution plan. The US salaried pension plan will be terminated on 30th June 2025. All new US employees now join a defined contribution plan.

Other post-employment benefits

The group's principal post-employment medical plans are in the UK and US and are unfunded arrangements that have been closed to new entrants for over ten years.

Maturity profile

The estimated weighted average durations of the defined benefit obligations of the main plans as at 31st March 2025 are:

	Weighted average duration Years
Pensions:	
UK	**13**
US	**9**
Post-retirement medical benefits:	
UK	**8**
US	**9**

Funding

Introduction

The group's principal defined benefit retirement plans are funded through separate fiduciary or trustee administered funds that are independent of the sponsoring company. The contributions paid to these arrangements are jointly agreed by the sponsoring company and the relevant trustee or fiduciary body after each funding valuation and in consultation with independent qualified actuaries. The plans' assets, together with the agreed funding contributions, should be sufficient to meet the plans' future pension obligations.

UK valuations

UK legislation requires that pension plans are funded prudently and that, when undertaking a funding valuation (every three years), assets are taken at their market value and liabilities are determined based on a set of prudent assumptions set by the trustee following consultation with their appointed actuary. The assumptions used for funding valuations may, therefore, differ to the actuarial assumptions used for IAS 19, *Employee Benefits*, accounting purposes.

In January 2013, a special purpose vehicle (SPV), Johnson Matthey (Scotland) Limited Partnership, was set up to provide deficit reduction contributions and greater security to the trustee. The group invested £50 million in a bond portfolio which is beneficially held by the SPV. The income generated by the SPV is used to make annual distributions of £3.5 million to JMEPS for a period of up to 25 years. These annual distributions are only payable if the legacy section of JMEPS continues to be in deficit, on a funding basis. This bond portfolio is held as a non-current investment at fair value through other comprehensive income and the group's liability to pay the income to the plan is not a plan asset under IAS 19 although it is for actuarial funding valuation purposes. The SPV is exempt from the requirement to prepare audited annual accounts as it is included on a consolidated basis in these accounts.

A funding valuation of JMEPS was carried out as at 1st April 2024 and showed that there was a deficit of £9 million in the legacy section of the plan, or a surplus of £19 million after taking account of the future additional deficit contributions from the SPV. The valuation also showed a surplus in the cash balance section of the plan of £37 million.

In accordance with the governing documentation of JMEPS, any future plan surplus would be returned to the parent company by way of a refund assuming gradual settlement of the liabilities over the lifetime of the plan. As such, there are no adjustments required in respect of IFRIC 14, IAS 19 - *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.*

US valuations

The last annual review of the US defined benefit pension plans was carried out by a qualified actuary as at 1st July 2023 and showed that there was a surplus of 18 million on the projected funding basis.

The assumptions used for funding valuations may differ to the actuarial assumptions used for IAS 19 accounting purposes.

Other valuations

Similar funding valuations are undertaken on the group's other defined benefit pension plans outside of the UK and US in accordance with prevailing local legislation.

Risk management

The group is exposed to a number of risks relating to its post-retirement pension plans, the most significant of which are:

Risk	Mitigation
Market (investment) risk	
Asset returns may not move in line with the liabilities and may be subject to volatility.	The group's various plans have highly diversified investment portfolios, investing in a wide range of assets that provide reasonable assurance that no single security or type of security could have a material adverse impact on the plan. A de-risking strategy is in place to reduce volatility in the plans as a result of the mismatch between the assets and liabilities. The funding level of the plans are monitored and as they improve, plan investments are generally switched from return-seeking assets to liability-matching assets. The plans implement partial currency hedging on their overseas assets to mitigate currency risk.
Interest (discount) rate risk	
Liabilities are sensitive to movements in bond yields (interest rates), with lower interest rates leading to an increase in the valuation of liabilities, albeit the impact on the plan's funding level will be partially offset by an increase in the	The group's defined benefit plans hold a high proportion of their assets in government or corporate bonds, which provide a natural hedge against falling interest rates. In the UK, this interest rate hedge is extended by the use of

level will be partially offset by an increase in the value of its bond holdings.	interest rate swaps, such that the plan is 100% hedged on the plan's funding basis. The swaps are held with several banks to reduce counterparty risk.
Inflation risk	
Liabilities are sensitive to movements in inflation, with higher inflation leading to an increase in the valuation of liabilities.	Where plan benefits provide inflation-related increases, the plan holds some inflation-linked assets which provide a natural hedge against higher than expected inflation increases. In the UK, this inflation hedge is extended by the use of inflation swaps, such that the plan is 100% hedged on the plan's funding basis. The swaps are held with several banks to reduce counterparty risk.
Longevity risk	
The majority of the group's defined benefit plans provide benefits for the life of the member, so the liabilities are sensitive to life expectancy, with increases in life expectancy leading to an increase in the valuation of liabilities.	The group has closed most of its defined benefit pension plans to new entrants, replacing them with either a cash balance plan or defined contribution plans, both of which are unaffected by life expectancy. For the plans where a benefit for life continues to be payable, prudent mortality assumptions are used that appropriately allow for a future improvement in life expectancy. These assumptions are reviewed on a regular basis.
Liquidity risk	
The pension plan may have insufficient access to cash to meet its short-term cash and collateral obligations, such that adverse scenarios could force the sale of a less-liquid assets at depressed prices.	The group's defined benefit plans hold sufficient liquid assets to meet its cashflow obligations and the collateral requirements of its inflation and interest rate hedging. This reduces the risk of being a forced seller of less-liquid assets. The UK pension plan also has a loan facility in place with the Company which it can access at short notice in the event of liquidity issues.

Contributions

During the year, total contributions to the group's post-employment defined benefit plans were £53 million (2024: £38 million), including a one-off £25 million contribution during the year. It is estimated that the group will contribute approximately £20 million to the post-employment defined benefit plans during the year ending 31st March 2026.

IAS 19 accounting

Principal actuarial assumptions

Qualified independent actuaries have updated the IAS 19 valuations of the group's major defined benefit plans to 31st March 2025. The assumptions used are chosen from a range of possible actuarial assumptions which, due to the long-term nature of the plans, may not necessarily be borne out in practice.

Financial assumptions

	2025 UK plan %	2025 US plans %	2025 Other plans %	2024 UK plan %	2024 US plans %	2024 Other plans %
First year's rate of increase in salaries	-	-	2.29	3.50	-	2.43
Ultimate rate of increase in salaries	-	-	2.29	3.50	-	2.20
Rate of increase in pensions in payment	2.90	-	2.00	2.90	-	2.20
Discount rate	5.90	5.40	3.73	4.90	5.20	3.30
Inflation	-	2.20	2.00	-	2.20	2.20
- UK Retail Prices Index (RPI)	3.00	-	-	3.10	-	-
- UK Consumer Prices Index (CPI)	2.75	-	-	2.75	-	-
Current medical benefits cost trend rate	6.50	-	-	8.95	-	-
Ultimate medical benefits cost trend rate	6.50	-	-	5.40	-	-

Demographic assumptions

The mortality assumptions are based on country-specific mortality tables and, where appropriate, include an allowance for future improvements in life expectancy. In addition, where credible data exists, actual plan experience is taken into account. The group's most substantial pension liabilities are in the UK and the US where, using the mortality tables adopted, the expected lifetime of average members currently at age 65 and average members at age 65 in 25 years' time (i.e. members who are currently aged 40 years) is respectively:

	Currently age 65 UK plan	Currently age 65 US plans	Age 65 in 25 years UK plan	Age 65 in 25 years US plans
Male	87	86	88	88
Female	89	88	91	89

Financial information

Plan assets

Movements in the fair value of plan assets during the year were:

	UK pension - legacy section	UK pension - cash balance section	UK post-retirement medical benefits	US pensions	US post-retirement medical benefits	Other	Total
	£m	£m	£m	£m	£m	£m	£m
At 1st April 2023	1,472	159	-	250	-	8	1,889
Administrative expenses	(4)	-	-	(1)	-	-	(5)
Interest income	68	8	-	12	-	-	88
Return on plan assets excluding interest	(106)	(4)	-	(9)	-	(1)	(120)
Employee contributions	2	7	-	-	-	-	9
Company contributions	10	22	1	3	-	2	38
Benefits paid	(58)	(3)	(1)	(29)	-	(3)	(94)
Exchange adjustments	-	-	-	(5)	-	-	(5)
At 31st March 2024	**1,384**	**189**	**-**	**221**	**-**	**6**	**1,800**
Administrative expenses	(2)	(1)	-	(2)	-	-	**(5)**
Interest income	67	10	-	11	-	-	**88**
Return on plan assets excluding interest	(134)	(16)	-	(4)	-	-	**(154)**
Employee contributions	-	8	-	-	-	-	**8**
Company contributions	28	21	1	2	-	1	**53**
Benefits paid	(58)	(5)	(1)	(27)	-	(1)	**(92)**
Exchange adjustments	-	-	-	(6)	-	(1)	**(7)**
At 31st March 2025	**1,285**	**206**	**-**	**195**	**-**	**5**	**1,691**

The fair values of plan assets are analysed as follows:

	2025	2025	2025	2025	2024	2024	2024	2024
	UK pension - legacy section	UK pension - cash balance section	US pensions	Other	UK pension - legacy section	UK pension - cash balance section	US pensions	Other
	£m	£m	£m	£m	£m	£m	£m	£m
Quoted corporate bonds	327	73	71	4	494	61	80	-
Inflation and interest rate swaps	(1)	2	-	-	(8)	1	-	-
Quoted government bonds	354	40	50	-	490	45	65	-
Cash and cash equivalents	244	56	74	1	25	4	76	-
Quoted equity	-	19	-	-	1	62	-	-
Unquoted equity	53	-	-	-	49	-	-	-
Property	56	-	-	-	51	-	-	-
Insurance policies	-	-	-	-	-	-	-	6
Other	252	16	-	-	282	16	-	-
Plan assets	**1,285**	**206**	**195**	**5**	**1,384**	**189**	**221**	**6**

The UK plan's unquoted equities are assets within a pooled infrastructure fund where the underlying assets are a broad range of private infrastructure investments, diversified by geographic region, infrastructure sector, underlying asset type and development stage. These infrastructure assets are valued using widely recognised valuation techniques which use market data and discounted cash flows. The same valuation approach is used to determine the value of the swaps and insurance policies.

The UK plan's property represents an investment in the Blackrock UK Property Fund, which is a unitised fund where the underlying

The UK plan's property represents an investment in the BlackRock UK Property Fund, which is a unitised fund where the underlying assets are taken at market value. The valuation of the fund is independently audited by KPMG on an annual basis.

The BlackRock Diversified Private Debt is represented as 'Other' in the table above and invests primarily in unquoted debt.

The defined benefit pension plans do not invest directly in Johnson Matthey Plc shares and no property or other assets owned by the pension plans are used by the group.

At year end, there was a considerable allocation to the Legal and General Sterling Liquidity Cash Fund as the Trustee and Company took the decision to de-risk the two Multi-Asset Credit mandates and are now working with their Investment Consultant to agree the new investment strategy.

Defined benefit obligation

Movements in the defined benefit obligation during the year were:

	UK pension - legacy section	UK pension - cash balance section	UK post-retirement medical benefits	US pensions	US post-retirement medical benefits	Other	Total
	£m	£m	£m	£m	£m	£m	£m
At 1st April 2023	(1,303)	(132)	(7)	(244)	(10)	(29)	(1,725)
Current service cost	(2)	(15)	-	(2)	-	(1)	(20)
Interest cost	(61)	(7)	-	(11)	(1)	(1)	(81)
Employee contributions	(2)	(7)	-	-	-	-	(9)
Remeasurements due to changes in:							
Financial assumptions	15	4	-	8	1	-	28
Demographic assumptions	32	-	-	-	-	-	32
Experience adjustments	(6)	-	-	(2)	-	-	(8)
Benefits paid	58	3	1	29	-	3	94
Exchange adjustments	-	-	-	3	-	2	5
At 31st March 2024	**(1,269)**	**(154)**	**(6)**	**(219)**	**(10)**	**(26)**	**(1,684)**
Current service cost	-	(17)	-	(2)	-	(1)	**(20)**
Past service credit	14	-	-	-	-	-	**14**
Interest cost	(61)	(9)	(1)	(10)	-	(1)	**(82)**
Employee contributions	-	(8)	-	-	-	-	**(8)**
Remeasurements due to changes in:							
Financial assumptions	158	30	-	4	(1)	4	**195**
Demographic assumptions	(1)	-	-	-	-	-	**(1)**
Experience adjustments	(9)	5	-	-	1	-	**(3)**
Benefits paid	58	5	1	27	-	1	**92**
Exchange adjustments	-	-	-	6	1	2	**9**
At 31st March 2025	**(1,110)**	**(148)**	**(6)**	**(194)**	**(9)**	**(21)**	**(1,488)**

Net post-employment benefit assets and liabilities

The net post-employment benefit assets and liabilities are:

	UK pension - legacy section	UK pension - cash balance section	UK post-retirement medical benefits	US pensions	US post-retirement medical benefits	Other	Total
	£m	£m	£m	£m	£m	£m	£m
At 31st March 2025							
Defined benefit obligation	(1,110)	(148)	(6)	(194)	(9)	(21)	**(1,488)**
Fair value of plan assets	1,285	206	-	195	-	5	**1,691**
Net post-employment benefit assets and liabilities	**175**	**58**	**(6)**	**1**	**(9)**	**(16)**	**203**

At 31st March 2024

Defined benefit obligation	(1,269)	(154)	(6)	(219)	(10)	(26)	**(1,684)**
Fair value of plan assets	1,384	189	-	221	-	6	**1,800**
Reimbursement rights	-	-	-	-	-	1	**1**
Net post-employment benefit assets and liabilities	**115**	**35**	**(6)**	**2**	**(10)**	**(19)**	**117**

These are included in the balance sheet as follows:

	2025 Post-employment benefit net assets	**2025 Employee benefit net obligations**	**2025 Total**	2024 Post-employment benefit net assets	2024 Employee benefit net obligations	2024 Total
	£m	**£m**	**£m**	£m	£m	£m
UK pension - legacy section	175	-	**175**	115	-	**115**
UK pension - cash balance section	58	-	**58**	35	-	**35**
UK post-retirement medical benefits	-	(6)	**(6)**	-	(6)	**(6)**
US pensions	4	(3)	**1**	2	-	**2**
US post-retirement medical benefits	-	(9)	**(9)**	-	(10)	**(10)**
Other	1	(17)	**(16)**	1	(20)	**(19)**
Total post-employment plans	**238**	**(35)**	**203**	**153**	**(36)**	**117**
Other long-term employee benefits		(3)			(3)	
Total long-term employee benefit obligations		**(38)**			**(39)**	

Income statement

Amounts recognised in the income statement for long term employment benefits were:

	2025	2024
	£m	£m
Administrative expenses	(5)	(5)
Current service cost	(20)	(20)
Past service credit	14	-
Defined benefit post-employment costs charged to operating profit	**(11)**	**(25)**
Defined contribution plans' expense	(28)	(28)
Charge to operating profit	**(39)**	**(53)**

Interest on post-employment benefits charged to finance costs	(2)	-
Interest on post-employment benefits charged to investment income	8	7
Charge to profit before tax	**(33)**	**(46)**

Statement of total comprehensive income

Amounts recognised in the statement of total comprehensive income for long term employment benefits were:

	2025	2024
	£m	£m
Return on plan assets excluding interest	(154)	(120)
Remeasurements due to changes in:		
Financial assumptions	195	28
Experience adjustments	(1)	(8)
Demographic assumptions	(3)	32
Remeasurements of post-employment benefit assets and liabilities	**37**	**(68)**

Sensitivity analysis

The calculations of the defined benefit obligations are sensitive to the assumptions used. The following summarises the estimated impact on the group's main plans of a change in the assumption while holding all other assumptions constant. This sensitivity analysis may not be representative of the actual change as it is unlikely that the change in assumptions would occur in isolation of one another.

Financial assumptions

A 0.1% change in the discount rate and inflation assumptions would (increase) / decrease the UK and US pension plans' defined benefit obligations at 31st March 2025 as follows:

	0.1% increase		**0.1% decrease**	
	UK plan	**US plans**	**UK plan**	**US plans**
	£m	**£m**	**£m**	**£m**
Effect of discount rate	16	2	(17)	(2)
Effect of inflation	(15)	-	15	-

Demographic assumptions

A one-year increase in life expectancy would increase the UK and US pension plans' defined benefit obligation by £30 million and £4 million, respectively.

Other

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments for contracted out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. Whilst the Court of Appeal upheld this ruling in July 2024, there remains material uncertainty in relation to the legal position itself and in particular, the application of the ruling.

Since the judgement, the Trustee has continued to liaise with its legal adviser on developments. We understand that the Pensions Trust court case was recently heard in the High Court and the judgement from that case is due out some time in the Autumn. That case, as we understand it, included some questions around section 37 confirmations. The Trustee's view is that it would be prudent to wait and see what that judgement says and also whether the Department for Work and Pensions responds in some way (e.g. by issuing regulations to resolve the issues). Additionally, whilst the Trustee has not conducted any detailed investigations at this point, we note their current position that they have no reason to believe that section 37 confirmations were not provided. The Group and the Trustee will at such stage assess exposure based on the Virgin Media ruling of the Court of Appeal in July 2024 and any other relevant developments (e.g. awaited developments mentioned above).

The Group's latest discussions on the ruling with the Trustee and its potential implications for the UK pension plan were in November 2024 and since then the Trustee has continued to monitor developments as further government guidance and/or case law emerges and the Group will maintain a dialogue on this matter. Since November 2024, the Group has liaised with the Trustee and the Trustee's position remains as indicated above.

25 Share capital and other reserves

Share capital

	Number	£m
Issued and fully paid ordinary shares		
At 1st April 2023 and 31st March 2024	193,589,845	215
Share buyback	(16,302,747)	(18)
At 31st March 2025	**177,287,098**	**197**

Details of outstanding allocations under the company's long term incentive plans and awards under the deferred bonus which have yet to mature are disclosed in note 29.

On 3rd July 2024, the company announced its intention to conduct a share buyback programme for up to a maximum consideration of £250 million. The first tranche of the share buyback programme of up to £125 million commenced on 3rd July 2024 and completed on 23rd September 2024. On 24th September 2024, the company commenced the second tranche of up to £125 million, which completed on 12th December 2024. During the year the company purchased 16,302,747 shares at a cost of £250 million excluding related stamp duty. All of these shares were cancelled. Distributable reserves have been reduced by £251 million, being the total amount of the share buyback. The total number of treasury shares held was 9,448,309 (2024: 9,649,874) at a total cost of £173 million (2024: £177 million).

The group and parent company's employee share ownership trust (ESOT) also buys shares on the open market and holds them in trust for employees participating in the group's executive long term incentive plans. At 31st March 2025, the ESOT held 294,316 shares (2024: 511,623 shares) which had not yet vested unconditionally to employees. Computershare Trustees (CI) Limited, as trustee for the ESOT, has waived its dividend entitlement.

Dividends

	2025	2024
	£m	£m
2022/23 final ordinary dividend paid — 55.00 pence per share	-	101
2023/24 interim ordinary dividend paid — 22.00 pence per share	-	40
2023/24 final ordinary dividend paid — 55.00 pence per share	101	-
2024/25 interim ordinary dividend paid — 22.00 pence per share	37	-
Total dividends	**138**	**141**

A final dividend of 55.0 pence per ordinary share has been proposed by the board which will be paid on 5th August 2025 to shareholders on the register at the close of business on 6th June 2025, subject to shareholders' approval. The estimated amount to be paid is £92 million and has not been recognised in these accounts.

The board is responsible for the group's capital management including the approval of dividends. This includes an assessment of both the level of reserves legally available for distribution and consideration as to whether Johnson Matthey Plc would be solvent and maintain sufficient liquidity following any proposed distribution. The board has assessed the level of distributable profits as at 31st March 2025 and is satisfied that they are sufficient to support the proposed dividend.

Other reserves

Capital redemption reserve, The capital redemption reserve represents the cumulative nominal value of the company's ordinary shares repurchased and subsequently cancelled.

Foreign currency translation reserve, The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value through other comprehensive income reserve, The fair value through other comprehensive income reserve represents the equity movements on financial assets held within this category.

Hedging reserve, The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments.

The Foreign currency translation reserve includes a £8 million gain (2024: £2 million loss) in relation to continuing hedge relationships and £107 million loss (2024: £104 million loss) in relation to discontinued hedge relationships. All cash flow hedge reserves balances relate to continuing hedge relationships.

				Hedging reserve			
	Capital redemption reserve	Foreign currency translation reserve	Fair value through other comprehensive income reserve	Forward currency contracts	Cross currency contracts	Forward metal contracts	Total other reserves
	£m	£m	£m	£m	£m	£m	£m
At 1st April 2023	13	60	(12)	(4)	1	60	118
Cash flow hedges – gains / (losses) taken to equity	-	-	-	3	(4)	27	26
Cash flow hedges – transferred to revenue (income statement)	-	-	-	12	-	(31)	(19)
Cash flow hedges – transferred to cost of sales (income statement)	-	-	-	(10)	-	-	(10)
Cash flow hedges – transferred to foreign exchange (income statement)	-	-	-	-	2	-	2
Cash flow hedges – transferred to inventory (balance sheet)	-	-	-	-	-	-	-
Fair value gains on net investment hedges taken to equity	-	4	-	-	-	-	4
Fair value losses on investments at fair value through other comprehensive income	-	-	(7)	-	-	-	(7)
Exchange differences on translation of foreign operations taken to equity	-	(79)	-	-	-	-	(79)
Tax on above items taken directly to or transferred from equity	-	-	-	(5)	-	6	1
At 31st March 2024	**13**	**(15)**	**(19)**	**(4)**	**(1)**	**62**	**36**
Cash flow hedges – gains / (losses) taken to equity	-	-	-	3	1	(2)	**2**
Cash flow hedges – transferred to revenue (income statement)	-	-	-	(2)	-	(41)	**(43)**
Cash flow hedges – transferred to disposal of subsidiaries (income statement)	-	-	-	1	-	-	**1**
Cash flow hedges – transferred to foreign exchange (income statement)	-	-	-	-	2	-	**2**
Fair value gains on net investment hedges taken to equity	-	7	-	-	-	-	**7**
Fair value losses on investments at fair value through other comprehensive income	-	-	(2)	-	-	-	**(2)**
Exchange differences on translation of foreign operations taken to equity	-	(82)	-	-	-	-	**(82)**
Cancelled ordinary shares from share buyback	18	-	-	-	-	-	**18**
Tax on above items taken directly to or transferred from equity	-	-	-	-	-	10	**10**
At 31st March 2025	**31**	**(90)**	**(21)**	**(2)**	**2**	**29**	**(51)**

Capital

The group's policy for managing capital is to maintain an efficient balance sheet to ensure that the group always has sufficient resources to be able to invest in future growth. During the year, the group complied with all externally imposed capital requirements to which it is subject, including ensuring it has sufficient distributable reserves to pay the dividends and complete the share buyback.

The directors determine the appropriate capital structure of the group, specifically how much capital is raised from shareholders (equity) and how much is borrowed from financial institutions (debt) in order to finance the group's activities. The group defines its capital employed as equity, as presented in the statement of financial position, plus net debt. Capital employed is managed on a basis that enables the group to continue trading as a going concern, while delivering acceptable returns to shareholders. The group is committed to managing its cost of capital by maintaining an appropriate capital structure, with a balance between equity and net debt.

The group utilises its capital employed to fund its business. The group reviews its capital employed on a regular basis and makes use of several indicative ratios which are appropriate to the nature of its operations and consistent with conventional industry measures. The principal ratios used include net debt to underlying EBITDA, return on capital employed and underlying earnings per share - refer to note 33 for further information.

The dividend policy also forms part of the Board's capital management policy, and the board ensures there is appropriate earnings cover for the dividend proposed at both the interim and year-end.

26 Disposals

Medical Device Components

On 1st July 2024, the group completed the sale of its Medical Device Components business for an enterprise value of £555 million (£559 million on a debt free basis after working capital adjustments). The business was disclosed as a disposal group held for sale as at 31st March 2024.

Battery Systems

On 30th April 2024, the group completed the sale of its Battery Systems business for an enterprise value of £14 million (£19 million on a debt free basis after working capital adjustments). The business was disclosed as a disposal group held for sale as at 31st March 2024.

Battery Materials Poland

On 24th July 2024, the group completed the sale of the land and buildings of our previous Battery Materials business in Poland for £26 million. This was disclosed as assets held for sale as at 31st March 2024.

All held for sale balances from the prior year financial statements were disposed of during the current year. With the exception of £10 million of cash in Medical Device Components not classified as held for sale at year end, the balances below are materially consistent with the prior year held for sale balances.

	2025			
	Medical Device Components £m	Other disposals £m	Total £m	2024 £m*
Proceeds				
Cash consideration	559	38	**597**	59
Cash and cash equivalents disposed	(10)	-	**(10)**	(18)
Net cash consideration	**549**	**38**	**587**	**41**
Disposal costs paid	(12)	(6)	**(18)**	(9)
Net cash inflow	**537**	**32**	**569**	**32**
Assets and liabilities disposed				
Non-current assets				
Property, plant and equipment	24	25	**49**	10
Right-of-use assets	4	-	**4**	9
Goodwill	3	-	**3**	-
Current assets				
Inventories	8	22	**30**	5
Trade and other receivables	18	20	**38**	32
Cash and cash equivalents	10	-	**10**	18
Deferred tax assets	-	3	**3**	3
Current liabilities				
Trade and other payables	(6)	(20)	**(26)**	(12)
Current income tax liabilities	(1)	(1)	**(2)**	-
Lease liabilities	(4)	-	**(4)**	-
Non-current liabilities				
Lease liabilities	-	(1)	**(1)**	(11)
Provisions	(1)	(1)	**(2)**	-
Net assets disposed	**55**	**47**	**102**	**54**

	2025			
	Medical Device Components £m	Other disposals £m	Total £m	2024 £m*
Cash consideration	559	38	**597**	59
Deferred consideration	-	7	**7**	4
Working capital adjustments at time of disposal	-	-	**-**	4
Less: carrying amount of net assets sold	(55)	(47)	**(102)**	(54)
Less: disposal costs	(13)	(9)	**(22)**	(17)
Cumulative currency translation gain / (loss) recycled from other comprehensive income	-	2	**2**	(5)
Profit recognised in the income statement	**491**	**(9)**	**482**	**(9)**

* The prior year comparative includes £4 million profit on disposal for Diagnostic Services, loss of £4 million for Johnson Matthey Catalysts LLC and profit of £nil for Battery Materials Germany, and other disposal related costs of £9 million.

Disposal proceeds

During the period we received £3 million of proceeds relating to the Diagnostic Services disposal in the prior year. This was recognised within profit on disposal in the prior year.

27 Financial risk management

The group's activities expose it to a variety of financial risks, including credit risk, market risk and liquidity risk. Market risk includes foreign currency risk, interest rate risk and price risk. The financial risks are managed by the group, under policies approved by the board. The financial risk management is carried out by a centralised group treasury function. Group Treasury's role is to optimise the group's liquidity, mitigate financial risks and provide treasury services to the group's operating businesses. The group uses derivative financial instruments, including forward currency contracts, interest rate swaps and currency swaps, to manage the financial risks associated with its underlying business activities and the financing of those activities. Some derivative financial instruments used to manage financial risk are not designated as hedges and, therefore, are classified as at fair value through profit or loss. The group does not undertake any speculative trading activity in financial instruments.

Credit risk

Within certain businesses, the group derives a significant proportion of its revenue from sales to major customers. Sales to individual customers are large if the value of precious metals is included in the price. The failure of any such company to honour its debts could materially impact the group's results. The group derives significant benefit from trading with its customers and manages the risk at many levels. Each business has a credit committee that regularly monitors its exposure. The Audit Committee receives a report every six months that details all significant credit limits, amounts due and overdue within the group, and the relevant actions being taken. At 31st March 2025, trade receivables for the group amounted to £925 million (2024: £964 million), of which £706 million (2024: £792 million) are in Clean Air which mainly supplies car and truck manufacturers and component suppliers in the automotive industry. Although Clean Air has a wide range of customers, the concentrated nature of this industry means that amounts owed by individual customers can be large and, in the event that one of those customers experiences financial difficulty, there could be a material adverse impact on the group. Other parts of the group tend to sell to a larger number of customers and amounts owed tend to be lower. At 31st March 2025, no single outstanding balance exceeded 2% (2024: 2%) of revenue.

The credit profiles of the group's customers are obtained from credit rating agencies where possible and are closely monitored. The scope of these reviews includes amounts overdue and credit limits. The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, risk associated with the industry and country in which customers operate may also influence the credit risk. The credit quality of customers is assessed against the appropriate credit ratings, financial strength, trading experience and market position to define credit limits. Controls and risk mitigants include daily monitoring of exposures, investing in counterparties with investment grade ratings, restricting the amount that can be invested with one counterparty and credit-rating mitigation techniques. Generally, payments are made promptly in the automotive industry and in the other markets in which the group operates.

A provision matrix is used to calculate lifetime expected credit losses using historical loss rates based on days past due and a broad range of forward-looking information, including country and market growth forecasts. This year, expected credit losses on unimpaired trade and contract receivables reduced to £10 million (2024: £12 million) driven by a lower trade receivables balance.

Trade receivables are specifically impaired when the amount is in dispute, customers are in financial difficulty or for other reasons which imply there is doubt over the recoverability of the debt. They are written off when there is no reasonable expectation of recovery, based on an estimate of the financial position of the counterparty.

Movements in the allowance for credit losses on trade and contract receivables are as follows:

	2025	2024
	£m	£m
At beginning of year	29	30
Charge for year	4	11
Utilised	-	(2)
Released	(3)	(10)
At end of year	**30**	**29**

The group's maximum exposure to default on trade and contract receivables is £1,008 million (2024: £1,079 million).

The group's financial assets included in other receivables are all current and not impaired.

The credit risk on cash and deposits and derivative financial instruments is limited because the counterparties with significant balances are banks with strong credit ratings. The exposure to individual banks is monitored frequently against internally-defined limits, together with each bank's credit rating and credit default swap prices. At 31st March 2025, the maximum net exposure with a single bank for cash and deposits was £169 million (2024: £81 million), whilst the largest mark to market exposure for derivative financial instruments to a single bank was £12 million (2024: £8 million). The group also uses money market funds to invest surplus cash thereby further diversifying credit risk and, at 31st March 2025, the group's exposure to these funds was £435 million (2024: £334 million). The amounts on deposit at the year end represent the group's maximum exposure to credit risk on cash and deposits. Expected credit losses on cash and cash equivalents are immaterial.

Foreign currency risk

The group operates globally with a significant amount of its profit earned outside the UK. The main impact of movements in exchange rates on the group's results arises on translation of overseas subsidiaries' profits into sterling. The largest exposure is to the euro and a 5% (5.9 cent (2024: 5.8 cent)) movement in the average exchange rate for the euro against sterling would have had a £10 million (2024: £11 million) impact on underlying operating profit. The group is also exposed to the US dollar and a 5% (6.4 cent (2024: 6.3 cent)) movement in the average exchange rate for the US dollar against sterling would have had a £5 million (2024: £7 million) impact on underlying operating profit. This exposure is part of the group's economic risk of operating globally which is essential to remain competitive in the markets in which it operates.

The group matches foreign currency assets and liabilities (where these differ to the functional currency of the relevant subsidiary) to avoid the risk of a material impact on the income statement resulting from movements in exchange rates. The group does, however, have foreign exchange exposure on movements through equity related to cash flow and net investment hedges. A 10% depreciation or appreciation in the US dollar and euro exchange rates against sterling would increase / (decrease) other reserves as follows:

	10% depreciation		10% appreciation	
	2025	2024	**2025**	2024
	£m	£m	**£m**	£m

Cash flow hedges	17	16	(14)	(22)
Net investment hedges	(34)	(22)	24	21

For the net investment hedges, these movements would be fully offset in reserves by an opposite movement on the retranslation of the net assets of the overseas subsidiaries.

Investments in foreign operations

To protect the group's sterling balance sheet and reduce cash flow risk, the group has financed most of its investment in the US and Europe by borrowing US dollars and euros, respectively. Although much of this funding is obtained by directly borrowing the relevant currency, a part is achieved through currency swaps which can be more efficient and reduce costs.

The group has designated US dollar and euro loans and a cross currency swap as hedges of net investments in foreign operations as they hedge changes in the value of the subsidiaries' net assets against movements in exchange rates. The change in the value of the net investment hedges from movements in foreign currency exchange rates is recognised in equity and is offset by an equal and opposite movement in the carrying value of the net assets of the subsidiaries. All critical terms of the hedging instruments and hedged items matched during the year and, therefore, hedge ineffectiveness was immaterial. The hedge ratio is 1:1.

Year ended 31st March 2025

	US dollar and euro loans[1]	Cross currency swap[2]	FX Forwards	Total
	£m	£m	£m	£m
Carrying value of hedging instruments at 31st March 2025	(549)	(3)	-	**(552)**
Change in carrying value of hedging instruments recognised in equity during the year	5	-	2	**7**
Change in fair value of hedged items during the year used to determine hedge effectiveness	(5)	-	(2)	**(7)**

Year ended 31st March 2024

	US dollar and euro loans[1]	Cross currency swap[2]	FX Forwards	Total
	£m	£m	£m	£m
Carrying value of hedging instruments at 31st March 2024	(160)	(3)	(2)	**(165)**
Change in carrying value of hedging instruments recognised in equity during the year	4	2	(2)	**4**
Change in fair value of hedged items during the year used to determine hedge effectiveness	(4)	(2)	2	**(4)**

[1] The designated hedging instruments are 50 million of the 3.79% 130 million Bonds 2025, 30 million of the 3.14% 130 million Bonds 2025, 3.97% 120 million Bonds 2027, 3.39% 180 million Bonds 2028, 29.7 million of the 4.1% 30 million Bonds 2030, 1.81% €90 million Bonds 2028, €10 million of the 2.92% €25 million Bonds 2030, €17 million of the 1.9% €225 million Bonds 2032, €60 million of the 4.03% €125 million Bonds 2031, 4.19% €94 million Bonds 2034 and €8 million of the 4.32% €20 million Bonds 2036.

[2] The designated hedging instrument are a cross currency swap expiring in June 2025 whereby the group pays 2.609% fixed on €77 million and receives 2.83% fixed on £65 million, a cross currency swap expiring in 2029 whereby the group pays 1.712% fixed on €46 million and receives 2.6723% fixed on £38 million, a cross currency swap expiring in 2031 whereby the group pays 4.03% fixed on €45 million and receives 5.37% fixed on £38 million, a cross currency swap expiring in 2031 whereby the group pays 4.04% fixed on €40.5 million and receives 5.20% fixed on £34 million and a cross currency swap expiring in 2034 whereby the group pays 4.16% fixed on €30.6 million and receives 5.31% fixed on £26 million.

Forecast receipts and payments in foreign currencies

The group uses forward foreign exchange contracts to hedge foreign exchange exposures arising on forecast receipts and payments in foreign currencies. These are designated and accounted for as cash flow hedges. The group's policy is to hedge between 50% and 80% of forecast receipts and payments in foreign currencies over the next 12 months.

For hedges of forecast receipts and payments in foreign currencies, the critical terms of the hedging instruments match exactly with the terms of the hedged items and, therefore, the group performs a qualitative assessment of effectiveness. Ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated or if there are changes in the credit risk of the group or the derivative counterparty. Hedge ineffectiveness was immaterial during the year. The hedge ratio is 1:1.

Year ended 31st March 2025

		Sterling / US dollar	Sterling / euro	Other	Total
		£m	£m	£m	£m
Carrying value of hedging instruments at 31st March 2025	- assets	5	-	2	**7**

2025	- assets	5	-	2	**7**
	- liabilities	(1)	-	(1)	**(2)**
Change in carrying value of hedging instruments recognised in equity during the year		4	(1)	(1)	**2**
Change in fair value of hedged items during the year used to determine hedge effectiveness		(4)	1	1	**(2)**
Notional amount[1]		152	58	22	**-**

Year ended 31st March 2024

		Sterling / US dollar	Sterling / euro	Other	Total
		£m	£m	£m	£m
Carrying value of hedging instruments at 31st March 2024	- assets	4	1	3	**8**
	- liabilities	(4)	-	(1)	**(5)**
Change in carrying value of hedging instruments recognised in equity during the year		7	(1)	(3)	**3**
Change in fair value of hedged items during the year used to determine hedge effectiveness		(7)	1	3	**(3)**
Notional amount[1]		477	76	44	**-**

[1] The notional amount is the sterling equivalent of the net currency amount purchased or sold.

The weighted average exchange rates on sterling / US dollar and sterling / euro forward foreign exchange contracts are 1.26 and 0.85 (2024: 1.26 and 0.87), respectively. The hedged, highly probable forecast transactions denominated in foreign currencies are expected to occur over the next 12 months.

Foreign currency borrowings

The group has designated five US dollar fixed interest rate to sterling fixed interest rate cross currency swaps as cash flow hedges. The first swap hedges the movement in the cash flows on 100 million of the 3.14% 130 million bonds 2025 attributable to changes in the US dollar / sterling exchange rate, the second swap hedges the movement in the cash flows on the 3.00% 50 million bonds 2029 attributable to changes in the US dollar / sterling exchange rate, the third swap hedges the movement in the cash flows on 50 million of the 5.02% 95 million bonds 2031 attributable to changes in the US dollar / sterling exchange rate, the fourth swap hedges the movement in the cash flows on 45 million of the 5.02% 95 million bonds 2031 attributable to changes in the US dollar / sterling exchange rate and the fifth swap hedges the movement in the cash flows on the 5.18% 34 million bonds 2034 attributable to changes in the US dollar / sterling exchange rate. The currency swaps have similar critical terms as the hedged items, such as reference rate, reset dates, payment dates, maturity and notional amounts. As all critical terms matched during the year, hedge ineffectiveness was immaterial. The hedge ratio is 1:1. The interest element of the swaps is recognised in the income statement each year.

	Cross currency swap	
	2025	2024
	£m	£m
Carrying value of hedging instruments at 31st March[1]	16	15
Change in carrying value of hedging instruments recognised in equity during the year	1	(4)
Change in fair value of hedged items during the year used to determine hedge effectiveness	(1)	4

[1] The designated hedging instruments are five cross currency swaps, one expiring in 2025 whereby the group pays 2.83% fixed on £65 million and receives 3.14% fixed on 100 million, the second expiring in 2029 whereby the group pays 2.67% fixed on £38 million and receives 3.00% fixed on 50 million, the third expiring in 2031 whereby the group pays 5.37% fixed on £38 million and receives 5.02% fixed on 50 million, the fourth expiring in 2031 whereby the group pays 5.20% fixed on £34 million and receives 5.02% 45 million and

the fifth one expiring in 2034 whereby the group pays 5.31% fixed on £26 million and receives 5.18% fixed on 34 million.

Interest rate risk

The group's interest rate risk arises from fixed rate borrowings (fair value risk) and floating rate borrowings (cash flow risk) as well as cash deposits and short term investments. Its policy is to optimise interest cost and reduce volatility in reported earnings and equity. The group manages its risk by reviewing the profile of debt regularly and by selectively using interest rate swaps to maintain borrowings at competitive rates. At 31st March 2025, 68% (2024: 63%) of the group's borrowings was at fixed rates with an average interest rate of 3.5% (2024: 3.1%). The remaining debt is floating rate. Based on the group's borrowings at floating rates, after taking into account the effect of the swaps, a 1% change in all interest rates during the current year would have a £5 million impact on the group's profit before tax (2024: £5 million).

The group has designated three (2024: three) fixed rate to floating interest rate swaps as fair value hedges as they hedge the changes in fair value of bonds attributable to changes in interest rates. All hedging instruments have maturities in line with the repayment dates of the hedged bonds and the cash flows of the instruments are consistent. All critical terms of the hedging instruments and hedged items matched during the year and, therefore, hedge ineffectiveness was immaterial. Hedge ineffectiveness is recognised in 'Interest payable on financial liabilities held at amortised cost and interest on related swaps' in note 8.

	2025 £m	2024 £m
Carrying value of hedging instruments at 31st March[1]	**(5)**	**(10)**
Amortised cost	(140)	(143)
Fair value adjustment	9	8
Carrying value of hedged items at 31st March[1]	**(131)**	**(135)**
Change in carrying value of hedging instruments recognised in profit or loss during the year	5	5
Change in fair value of hedged items during the year used to determine hedge effectiveness	1	(9)

[1] The hedged items in the current year are the 1.40% €77 million Bonds 2025 and 1.81% €90 million Bonds 2028. Interest rate swaps have been contracted with aligned notional amounts and maturities to the bonds with the effect that the group pays an average floating rate of six-month LIBOR plus 0.64% on the US dollar bonds and six-month EURIBOR plus 0.94% on the euro bonds.

Price risk

Fluctuations in precious metal prices have an impact on the group's financial results. Our policy for all manufacturing businesses is to limit this exposure by hedging against future price changes where such hedging can be done at acceptable cost. The group enters into forward precious metal price contracts for the receipt or delivery of precious metal. The group does not take material price exposures on metal trading. A proportion of the group's precious metal inventories are unhedged due to the ongoing risk over security of supply.

Liquidity risk

The group's funding strategy includes maintaining appropriate levels of working capital, undrawn committed facilities and access to the capital markets. We regularly review liquidity levels and sources of cash, and we maintain access to committed credit facilities and debt capital markets. At 31st March 2025, the group had borrowings under committed bank facilities of £nil (2024: £nil). The group also has a number of uncommitted facilities and overdraft lines at its disposal.

The group has a $1 billion revolving credit facility with a maturity date of March 2027 which includes Environmental, Social and

The group has a £1 billion revolving credit facility with a maturity date of March 2027 which includes Environmental, Social and Governance key performance indicators which provides the group with a nominal interest saving or cost depending on our performance.

The group has three sustainability-linked private placements (€225 million, £35 million and 50 million). The notes have interest rates linked with Johnson Matthey's Key Performance Indicator for the reduction of its Scope 1 and 2 greenhouse gas emissions and are among the first sustainability-linked financing in the market from a UK corporate issuer.

	2025	2024
	£m	£m
Expiring in more than one year	1,000	1,000
Undrawn committed bank facilities	**1,000**	**1,000**

The maturity analyses for financial liabilities showing the remaining contractual undiscounted cash flows, including future interest payments, at current year exchange rates and assuming floating interest rates remain at the latest fixing rates, are:

	Within 1 year	**1 to 2 years**	**2 to 5 years**	**After 5 years**	**Total**
At 31st March 2025	**£m**	**£m**	**£m**	**£m**	**£m**
Bank overdrafts	24	-	-	-	**24**
Bank and other loans - principal	333	-	781	532	**1,646**
Bank and other loans - interest payments	52	50	88	50	**240**
Lease liabilities - principal	6	7	14	19	**46**
Lease liabilities - interest payments	2	2	3	4	**11**
Financial liabilities in trade and other payables	1,879	6	-	-	**1,885**
Total non-derivative financial liabilities	**2,296**	**65**	**886**	**605**	**3,852**
Forward foreign exchange contracts - payments	155	-	-	-	**155**
Forward foreign exchange contracts - receipts	(152)	-	-	-	**(152)**
Currency swaps - payments	971	-	-	-	**971**
Currency swaps - receipts	(959)	-	-	-	**(959)**
Cross currency interest rate swaps - payments	140	10	67	218	**435**
Cross currency interest rate swaps - receipts	(155)	(11)	(72)	(223)	**(461)**
Interest rate swaps - payments	69	3	80	-	**152**
Interest rate swaps - receipts	(66)	(1)	(78)	-	**(145)**
Total derivative financial liabilities	**3**	**1**	**(3)**	**(5)**	**(4)**

	Within 1 year	**1 to 2 years**	**2 to 5 years**	**After 5 years**	**Total**
At 31st March 2024	**£m**	**£m**	**£m**	**£m**	**£m**
Bank overdrafts	12	-	-	-	**12**

Bank overdrafts	12	-	-	-	**12**
Bank and other loans - principal	105	317	719	312	**1,453**
Bank and other loans - interest payments	53	44	89	14	**200**
Lease liabilities - principal	8	6	9	9	**32**
Lease liabilities - principal - classified as held for sale	1	1	3	-	**5**
Lease liabilities - interest payments	1	1	2	8	**12**
Financial liabilities in trade and other payables	2,032	2	-	-	**2,034**
Financial liabilities in trade and other payables classified as held for sale	27	-	-	-	**27**
Total non-derivative financial liabilities	**2,239**	**371**	**822**	**343**	**3,775**
Forward foreign exchange contracts - payments	713	7	-	-	**720**
Forward foreign exchange contracts - receipts	(705)	(7)	-	-	**(712)**
Currency swaps - payments	760	-	-	-	**760**
Currency swaps - receipts	(755)	-	-	-	**(755)**
Cross currency interest rate swaps - payments	4	133	2	78	**217**
Cross currency interest rate swaps - receipts	(6)	(147)	(4)	(78)	**(235)**
Interest rate swaps - payments	7	72	88	-	**167**
Interest rate swaps - receipts	(2)	(68)	(81)	-	**(151)**
Total derivative financial liabilities	**16**	**(10)**	**5**	**-**	**11**

Offsetting financial assets and liabilities

The group offsets financial assets and liabilities when it currently has a legally enforceable right to offset the recognised amounts and it intends to either settle on a net basis or realise the asset and settle the liability simultaneously. The following financial assets and liabilities are subject to offsetting or enforceable master netting arrangements:

At 31st March 2025	**Gross financial assets / (liabilities) £m**	**Amounts set off £m**	**Net amounts in balance sheet £m**	**Amounts not set off[1] £m**	**Net £m**
Derivative financial instruments - assets - current	55	-	55	(9)	**46**
Derivative financial instruments - assets - non-current	4	-	4	(4)	**-**
Derivative financial instruments - liabilities - current	(14)	-	(14)	4	**(10)**
Derivative financial instruments - liabilities - non-current	(9)	-	(9)	9	**-**

At 31st March 2024	**Gross financial assets / (liabilities) £m**	**Amounts set off £m**	**Net amounts in balance sheet £m**	**Amounts not set off[1] £m**	**Net £m**
Derivative financial instruments - assets - current	53	-	53	(7)	**46**
Derivative financial instruments - assets - non-current	49	-	49	(5)	**44**
Derivative financial instruments - liabilities - current	(11)	-	(11)	7	**(4)**
Non-current borrowings	(1,339)	-	(1,339)	5	**(1,334)**

[1] Agreements with derivative counterparties are based on an ISDA Master Agreement. Under these arrangements, whilst the group does not have a legally enforceable right of set off, where certain credit events occur, such as default, the net position receivable from or payable to a single counterparty in the same currency would be taken as owing and all the relevant arrangements terminated.

Note, to simplify the primary statements we have represented the prior year comparative balances in the Statement of Financial Position to include 'Other financial assets and liabilities' and 'Interest rate swaps' within the singular line 'Derivative financial instruments'.

28 Fair values

Fair value hierarchy
Fair values are measured using a hierarchy where the inputs are:

- Level 1 – quoted prices in active markets for identical assets or liabilities.
- Level 2 – not level 1 but are observable for that asset or liability either directly or indirectly.
- Level 3 – not based on observable market data (unobservable).

Fair value of financial instruments
Certain of the group's financial instruments are held at fair value. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the balance sheet date.

The fair value of forward foreign exchange contracts, interest rate swaps, forward precious metal price contracts and currency swaps is estimated by discounting the future contractual cash flows using forward exchange rates, interest rates and prices at the balance sheet date.

The fair value of trade and other receivables measured at fair value is the face value of the receivable less the estimated costs of converting the receivable into cash.

The fair value of money market funds is calculated by multiplying the net asset value per share by the investment held at the balance sheet date.

There were no transfers of any financial instrument between the levels of the fair value hierarchy during the current or prior years.

	2025 £m	2024 £m	Fair value hierarchy Level	Note
Financial instruments measured at fair value				
Non-current				
Investments at fair value through other comprehensive income[1]	38	40	1	-
Derivative financial instruments - assets[2]	4	49	2	18
Borrowings	-	(3)	2	20
Derivative financial instruments - liabilities[2]	(9)	(10)	2	18
Current				
Trade receivables[3]	158	178	2	17
Other receivables[4]	1	3	2	17
Cash and cash equivalents - money market funds	435	334	2	-
Cash and cash equivalents - cash and deposits	23	12	2	-
Derivative financial instruments - assets[2]	55	53	2	18
Derivative financial instruments - liabilities[2]	(14)	(11)	2	18
Financial instruments not measured at fair value				
Non-current				
Borrowings	(1,301)	(1,336)	-	20
Lease liabilities	(40)	(24)	-	12
Trade and other receivables	58	60	-	17
Other payables	(6)	(2)	-	19
Current				
Amounts receivable under precious metal sale and repurchase agreements	300	398	-	17
Amounts payable under precious metal sale and repurchase agreements	(687)	(797)	-	19
Cash and cash equivalents - cash and deposits	440	196	-	-
Cash and cash equivalents - bank overdrafts	(24)	(12)	-	-
Borrowings	(333)	(110)	-	20
Lease liabilities	(6)	(8)	-	12
Trade and other receivables	862	926	-	17
Trade and other payables	(1,210)	(1,235)	-	19

[1] Investments at fair value through other comprehensive income are quoted bonds purchased to fund pension deficits (£35 million) and investments held at fair value through other comprehensive income (£3 million).

[2] Includes forward foreign exchange contracts, forward precious metal price contracts and currency and interest rate swaps.

[3] Trade receivables held in a part of the group with a business model to hold trade receivables for collection or sale. The remainder of the group operates a hold to collect business model and receives the face value, plus relevant interest, of its trade receivables from the counterparty without otherwise exchanging or disposing of such instruments.

[4] Other receivables with cash flows that do not represent solely the payment of principal and interest.

The fair value of financial instruments, excluding accrued interest, is approximately equal to book value except for:

	2025		2024	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	£m	**£m**	£m	£m
US Dollar Bonds 2025, 2027, 2028, 2029, 2030, 2031 and 2034	(592)	(571)	(507)	(474)
Euro Bonds 2025, 2028, 2030, 2031, 2032, 2034 and 2036	(539)	(520)	(348)	(320)
Sterling Bonds 2024, 2025 and 2029	(80)	(74)	(145)	(137)
KfW US Dollar Loan 2024	-	-	(40)	(38)

The fair values are calculated using level 2 inputs by discounting future cash flows to net present values using appropriate market interest rates prevailing at the year end.

29 Share-based payments

The total expense recognised during the year in respect of equity-settled share-based payments was £18 million (2024: £17 million).

The group currently operates various share-based payment schemes; a Performance share plan (PSP), a Restricted share plan (RSP), a Deferred bonus scheme and a Share Incentive Plan (SIP). Further details of the directors' remuneration under share-based payment plans are given in the Remuneration Report.

PSP
From 2017, shares are awarded to certain of the group's executive directors and senior managers under the PSP based on a percentage of salary and are subject to performance targets over a three-year period. The performance targets are based on underlying EPS growth, Relative and Total Shareholder Return, Return on Capital Employed and strategic and sustainability targets.

Subject to the performance conditions being met the shares will vest after which the directors will be required to hold any vested shares until the fifth anniversary of the award. The Remuneration Committee is entitled to claw back the awards to the executive directors in cases of misstatement or misconduct.

RSP
From 2023, shares are awarded to employees in exceptional circumstances to recruit, retain and recognise individuals. Awards under the RSP are not subject to performance targets. The shares are subject only to the condition that the employee remains employed by the group on the vesting date (ranging from one to three years after the award date).

Deferred bonus
A proportion of the bonus payable to executive directors and senior managers is awarded as shares and deferred for three years. The Remuneration Committee is entitled to claw back the deferred element in cases of misstatement or misconduct or other relevant reason as determined by it.

All employee share incentive plan (SIP) - UK and overseas
Under the SIP, all employees with at least one year of service with the group and who are employed by a participating group company are entitled to contribute up to 2.5% of base pay each month, subject to a £125 per month limit. The SIP trustees buy shares (partnership shares) at market value each month with the employees' contributions. For each partnership share purchased, the group purchases two shares (matching shares) which are awarded to the employee.

In the UK SIP, if the employee sells or transfers partnership shares within three years of the date of award, the linked matching shares are forfeited.

In the overseas SIP, partnership shares and matching shares are subject to a three-year holding period and cannot be sold or transferred during that time.

During the year, 410,706 (2024: 374,840) matching shares under the SIP were awarded to employees. These are nil cost awards on which performance conditions are substantially completed at the date of grant and, consequently, the fair value of these awards is based on the market value of the shares at that date.

Activity in the year in relation to these share plans is shown below:

	Year ended 31st March 2025			Year ended 31st March 2024		
	PSP	**RSP**	**Deferred Bonus**	PSP	RSP	Deferred Bonus
Outstanding at the start of the year	2,339,767	489,379	324,719	1,728,934	996,190	211,310
Awarded during the year	1,249,978	76,925	133,185	1,349,149	53,614	145,794

Awarded during the year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Forfeited during the year	(349,590)	(34,667)	-	(204,808)	(49,890)	-
Released during the year	(425,034)	(304,255)	(103,938)	(533,508)	(510,535)	(32,385)
Outstanding at the end of the year	**2,815,121**	**227,382**	**353,966**	**2,339,767**	**489,379**	**324,719**

	Year ended 31st March 2025					
	PSP	Exceptional PSP[1]	Exceptional RSP[2]	Exceptional RSP[2]	Exceptional RSP[2]	Deferred Bonus
Fair value of shares awarded (pence)	1,389.6	1,293.0	1,389.6	1,457.9	1,529.6	1,325.0
Share price at the date of award (pence)	1,603.0	1,444.0	1,603.0	1,603.0	1,603.0	1,603.0
Dividend rate	4.80%	5.60%	4.80%	4.80%	4.80%	4.80%

	Year ended 31st March 2024				
	PSP	Exceptional RSP	Exceptional RSP	Exceptional RSP	Deferred Bonus
Fair value of shares awarded (pence)	1,634.9	1,634.9	1,685.7	1,738.0	1,585.7
Share price at the date of award (pence)	1,792.0	1,792.0	1,792.0	1,792.0	1,792.0
Dividend rate	3.07%	3.07%	3.07%	3.07%	3.07%

1 The group awarded an exceptional PSP scheme on 11th February 2025 of duration two years.

2 The group awarded three exceptional RSP schemes on 1st August 2024 of duration one, two and three years.

The fair value of shares awarded was calculated using a modified Black Scholes model based on the share price at the date of award adjusted for the present value of the expected dividends that will not be received at an expected dividend rate.

At 31st March 2025, the weighted average remaining contracted life of the awarded PSP shares is 1.5 years (2024: 1.7 years) and 0.6 years (2024: 0.6 years) for the awarded RSP shares.

30 Commitments

Capital commitments - future capital expenditure contracted but not provided	Group		Parent company	
	2025	2024	**2025**	2024
	£m	£m	**£m**	£m
Property, plant and equipment	155	68	131	28
Other intangible assets	28	14	28	14

At 31st March 2025, precious metal leases were £202 million (2024: £197 million) at year end prices.

31 Contingent liabilities

The group is involved in various disputes and claims which arise from time to time in the course of its business including, for example, in relation to commercial matters, product quality or liability, employee matters and tax audits. The group is also involved from time to time in the course of its business in legal proceedings and actions, engagement with regulatory authorities and in dispute resolution processes. These are reviewed on a regular basis and, where possible, an estimate is made of the potential financial impact on the group. In appropriate cases a provision is recognised based on advice, best estimates and management judgement. Where it is too early to determine the likely outcome of these matters, no provision is made. Whilst the group cannot predict the outcome of any current or future such matters with any certainty, it currently believes the likelihood of any material liabilities to be low, and that such liabilities, if any, will not have a material adverse effect on its consolidated income, financial position or cash flows.

Following the sale of its Health business in May 2022, the purchaser of the Health business, Veranova Bidco LP, has issued a claim against the group in connection with: i) certain alleged representations said to have been made during the course of the negotiation of the sale and purchase agreement dated 16th December 2021 ("SPA"); and, ii) certain warranties given in the SPA at the time of signing. Having reviewed the claim with its advisers, the group is of the opinion that it has a defensible position in respect of these allegations and is vigorously defending its position. The outcome of the legal proceedings relating to this matter is not certain, since the issues of liability and quantum will be for determination by the court at trial. Accordingly, the group is unable to make a reliable estimate of the possible financial impact at this stage, if any.

32 Transactions with related parties

The group has a related party relationship with its associates, its post-employment benefit plans (note 24) and its key management personnel (below). Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

During the year the group had sales of £9 million (2024: £17 million) with Veranova. The amounts owed by Veranova were £1 million at 31st March 2025 (2024: £1 million).

The key management of the group and parent company consist of the Board of Directors and the members of the Group Leadership Team (GLT). During the year ended 31st March 2025, the GLT had an average of 11 members (2024: 13 members). The only transactions with any key management personnel were compensation charged in the year which was:

	2025	2024
	£m	£m
Short term employee benefits	8	9
Share-based payments	2	1
Non-executive directors' fees and benefits	1	1
Total compensation of key management personnel	**11**	**11**

There were no balances outstanding as at 31st March 2025 (2024: £nil). Information on directors' remuneration is given in the Remuneration Report.

Guarantees of subsidiaries' liabilities are disclosed in note 46.

33 Non-GAAP measures

The group uses various measures to manage its business which are not defined by generally accepted accounting principles (GAAP). The group's management believes these measures provide valuable additional information to users of the accounts in understanding the group's performance. Certain of these measures are financial Key Performance Indicators which measure progress against our strategy.

All non-GAAP measures are on a continuing operations basis.

Definitions

Measure	**Definition**	**Purpose**
Sales[1]	Revenue excluding cost of precious metals to customers and the precious metal content of products sold to customers.	Provides a better measure of the growth of the group as revenue can be heavily distorted by year on year fluctuations in the market prices of precious metals and, in many cases, the value of precious metals is passed directly on to customers.
Underlying operating profit[2]	Operating profit excluding non-underlying items.	Provides a measure of operating profitability that is comparable over time.
Underlying operating profit margin[1, 2]	Underlying operating profit divided by sales.	Provides a measure of how we convert our sales into underlying operating profit and the efficiency of our business.
Underlying profit before tax[2]	Profit before tax excluding non-underlying items.	Provides a measure of profitability that is comparable over time.
Underlying profit for the year[2]	Profit for the year excluding non-underlying items and related tax effects.	Provides a measure of profitability that is comparable over time.
Underlying earnings per share[1, 2]	Underlying profit for the year divided by the weighted average number of shares in issue.	Our principal measure used to assess the overall profitability of the group.
Return on capital employed (ROCE)[1,3]	Annualised underlying operating profit divided by the average equity plus average net debt. The average is calculated using the opening balance for the financial year and the closing balance.	Provides a measure of the group's efficiency in allocating the capital under its control to profitable investments.

Average working capital days (excluding precious metals)[1]	Monthly average of non-precious metal related inventories, trade and other receivables and trade and other payables (including any classified as held for sale) divided by sales for the last three months multiplied by 90 days.	Provides a measure of efficiency in the business with lower days driving higher returns and a healthier liquidity position for the group.
Free cash flow	Net cash flow from operating activities after net interest paid, net purchases of non-current assets and investments, proceeds from disposal of businesses, dividends received from joint ventures and associates and the principal element of lease payments.	Provides a measure of the cash the group generates through its operations and divestments, less capital expenditure.
Net debt (including post tax pension deficits) to underlying EBITDA	Net debt, including post tax pension deficits and quoted bonds purchased to fund the UK pension (excluded when the UK pension plan is in surplus) divided by underlying EBITDA for the same period.	Provides a measure of the group's ability to repay its debt. The group has a long-term target of net debt (including post tax pension deficits) to underlying EBITDA of between 1.5 and 2.0 times, although in any given year it may fall outside this range depending on future plans.

1 Key Performance Indicator.

2 Underlying profit measures are before profit or loss on disposal of businesses, amortisation of acquired intangibles, major impairment and restructuring charges, share of profits or losses from non-strategic equity investments and, where relevant, related tax effects. These items have been excluded by management as they are not deemed to be relevant to an understanding of the underlying performance of the business.

3 Return on capital employed is a new key performance indicator in the year end accounts. This was included as a performance measure in the 2024 Performance Share Plan award. Inclusion of this measure incentivises delivery of the transformation programme across JM and aligns with investor focus on our ability to return value on investments.

Underlying profit measures exclude the following non-underlying items which are shown separately on the face of the income statement:

- **Profit / (loss) on disposal of businesses:** The group recognised £482 million profit on the disposal of businesses (2024: £9 million loss), see note 26.
- **Amortisation of acquired intangibles:** Amortisation and impairment of intangible assets which arose on the acquisition of businesses totalled £4 million (2024: £4 million).
- **Major impairment and restructuring charges:** The group recognised £329 million in major impairment and restructuring charges (2024: £148 million), see note 6.
- **Share of profits / (losses) of associates:** The group recognised £3 million for its share of profits of associates (2024: £3 million loss), see note 15.

Reconciliations to GAAP measures

Sales

	2025	2024
	£m	£m
Revenue (note 3)	11,674	12,843
Less: cost of precious metals to customers (note 3)	(8,204)	(8,939)
Sales	**3,470**	**3,904**

Underlying profit measures

Year ended 31st March 2025

	Operating profit	Profit before tax	Tax expense	Profit for the year
	£m	£m	£m	£m
Underlying	389	334	(71)	**263**
Profit on disposal of businesses	482	482	(67)	**415**
Amortisation of acquired intangibles	(4)	(4)	1	**(3)**
Major impairment and restructuring charges	(329)	(329)	10	**(319)**
Share of profits of associates	-	3	-	**3**
Non-underlying tax provisions	-	-	14	**14**
Reported	**538**	**486**	**(113)**	**373**

Year ended 31st March 2024

	Operating profit £m	Profit before tax £m	Tax expense £m	Profit for the year £m
Underlying	410	328	(68)	**260**
Loss on disposal of businesses	(9)	(9)	-	**(9)**
Amortisation of acquired intangibles	(4)	(4)	1	**(3)**
Major impairment and restructuring charges	(148)	(148)	15	**(133)**
Share of losses of associates	-	(3)	-	**(3)**
Non-underlying tax provisions	-	-	(4)	**(4)**
Reported	**249**	**164**	**(56)**	**108**

Underlying earnings per share

	2025	2024
Underlying profit for the year (£ million)	263	260
Weighted average number of shares in issue (number)	175,966,787	183,392,681
Underlying earnings per share (pence)	149.2	141.3

Return on Capital Employed (ROCE)

	2025 £m	2024 £m
Underlying operating profit	**389**	**410**
Average net debt	875	987
Average equity	2,338	2,459
Average capital employed	**3,213**	**3,446**
ROCE	**12.1%**	**11.9%**

Average working capital days (excluding precious metals) - unaudited

	2025 £m	2024 £m

Inventories	1,011	1,211
Trade and other receivables	1,532	1,718
Trade and other payables	(1,984)	(2,209)
	559	**720**
Working capital balances classified as held for sale	-	44
Total working capital	**559**	**764**
Less: Precious metal working capital	(111)	(174)
Working capital (excluding precious metals)	**448**	**590**
Average working capital days (excluding precious metals)	**62**	**60**

Free cash flow

	2025	2024
	£m	£m
Net cash inflow from operating activities	381	592
Interest received	78	62
Interest paid	(148)	(137)
Purchases of property, plant and equipment	(315)	(301)
Purchases of intangible assets	(58)	(67)
Proceeds from redemption of investments held at fair value through other comprehensive income	3	-
Government grant income	-	5
Proceeds from sale of businesses	587	41
Proceeds from sale of non-current assets	2	5
Principal element of lease payments	(9)	(11)
Free cash flow	**521**	**189**

Net debt (including post tax pension deficits) to underlying EBITDA

	2025	2024
	£m	£m
Cash and deposits	463	208
Money market funds	435	334
Bank overdrafts	(24)	(12)

Cash and cash equivalents	**874**	**530**
Derivative financial instruments - Cross currency and interest rate swaps - non-current assets	4	15
Derivative financial instruments - Cross currency and interest rate swaps - current assets	13	-
Derivative financial instruments - Cross currency and interest rate swaps - current liabilities	(1)	-
Derivative financial instruments - Cross currency and interest rate swaps - non-current liabilities	(9)	(10)
Borrowings - current	(333)	(110)
Borrowings - non-current	(1,301)	(1,339)
Lease liabilities - current	(6)	(8)
Lease liabilities - non-current	(40)	(24)
Lease liabilities - current - transferred to liabilities classified as held for sale	-	(1)
Lease liabilities - non-current - transferred to liabilities classified as held for sale	-	(4)
Net debt	**(799)**	**(951)**

Increase / (decrease) in cash and cash equivalents	345	(102)
Less: (Increase) / decrease in borrowings	(213)	150
Less: Principal element of lease payments	9	11
Decrease in net debt resulting from cash flows	**141**	**59**
New leases, remeasurements and modifications	(22)	(11)
Other lease movements	1	1
Disposals	5	11
Exchange differences on net debt	11	13
Other non-cash movements	16	(1)
Movement in net debt	**152**	**72**
Net debt at beginning of year	(951)	(1,023)
Net debt at end of year	**(799)**	**(951)**

Net debt	(799)	(951)
Add: Pension deficits	(20)	(22)
Add: Related deferred tax	3	3
Net debt (including post tax pension deficits)	**(816)**	**(970)**

Underlying operating profit	389	410
Add back: Depreciation and amortisation excluding amortisation of acquired intangibles	183	188
Underlying EBITDA	**572**	**598**

Net debt (including post tax pension deficits) to underlying EBITDA	1.4	1.6

	2025	2024
	£m	£m
Underlying EBITDA	**572**	**598**
Depreciation and amortisation	(187)	(192)
Profit / (loss) on disposal of businesses	482	(9)
Major impairment and restructuring charges	(329)	(148)
Finance costs	(142)	(146)
Investment income	87	64
Share of profits / (losses) of associates	3	(3)
Income tax expense	(113)	(56)
Profit for the year	**373**	**108**

34 Events after the balance sheet date

On 22nd May 2025, the group announced the sale of its Catalyst Technologies business to Honeywell International Inc. at an enterprise value of £1.8 billion on a cash and debt-free basis. The sale is expected to deliver net sale proceeds of £1.6 billion to the group, subject to customary closing adjustments. We anticipate a significant cash return to shareholders of £1.4 billion of net sale proceeds following completion of the sale. We expect the agreed sale of the Catalyst Technologies business to Honeywell International Inc. to complete by the first half of calendar year 2026.

As outlined in our judgements in note 1, the criteria to be classified as held for sale were not met at the balance sheet date and so the Catalyst Technologies business has not been classified as held for sale and a discontinued operation within these consolidated accounts. Refer to page [X] for further information on the strategic implications of this sale.

.36 Property, plant and equipment

	Land and buildings	Leasehold improvements	Plant and machinery	Assets in the course of construction	Total
	£m	£m	£m	£m	£m
Cost					
At 31st March 2024	**130**	**2**	**721**	**240**	**1,093**
Additions	-	-	10	196	**206**
Transfers from assets in the course of construction	-	-	31	(31)	**-**
Transfers to other intangible assets (note 38)	-	-	(3)	(18)	**(21)**
Reclassification	-	-	2	2	**4**
Disposals	-	-	(2)	-	**(2)**
At 31st March 2025	**130**	**2**	**759**	**389**	**1,280**
Accumulated depreciation and impairment					
At 31st March 2024	**89**	**2**	**553**	**-**	**644**
Charge for the year	2	-	31	-	**33**
Impairment losses	-	-	4	-	**4**
Reclassification	-	-	4	-	**4**
Disposals	-	-	(2)	-	**(2)**
At 31st March 2025	**91**	**2**	**590**	**-**	**683**

Carrying amount at 31st March 2025	**39**	**-**	**169**	**389**	**597**
Carrying amount at 31st March 2024	41	-	168	240	449
Carrying amount at 1st April 2023	43	-	149	158	350

Finance costs capitalised were £5 million (2024: £3 million) and the capitalisation rate used to determine the amount of finance costs eligible for capitalisation was 3.8% (2024: 3.3%).

37 Goodwill

As at 31st March 2025 and 31st March 2024, the cost of goodwill was £123 million with an accumulated impairment of £10 million resulting in a carrying amount of £113 million.

The parent company's goodwill balance of £113 million relates to the Catalyst Technologies cash-generating unit. Refer to note 5 for further information on the impairment testing performed.

38 Other intangible assets

	Computer software £m	Patents, trademarks and licences £m	Acquired research and technology £m	Development expenditure £m	Total £m
Cost					
At 31st March 2024	**477**	**9**	**-**	**13**	**499**
Additions	51	-	-	-	**51**
Transfers from property, plant and equipment (note 36)	21	-	-	-	**21**
Reclassification	1	(1)	-	-	**-**
At 31st March 2025	**550**	**8**	**-**	**13**	**571**
Accumulated amortisation and impairment					
At 31st March 2024	**221**	**4**	**-**	**17**	**242**
Charge for the year[1]	44	1	-	(4)	**41**
Impairment losses	28	-	-	-	**28**
At 31st March 2025	**293**	**5**	**-**	**13**	**311**
Carrying amount at 31st March 2025	**257**	**3**	**-**	**-**	**260**
Carrying amount at 31st March 2024	256	5	-	(4)	257
Carrying amount at 1st April 2023	246	4	1	(4)	247

[1] The reversal of depreciation is to correct a historical brought forward error where the development expenditure has a negative net book value.

39 Investments in subsidiaries

	Cost of investments in subsidiaries £m	Accumulated impairment £m	Carrying amount £m
At 31st March 2024	**2,370**	**(262)**	**2,108**
Additions	1	-	**1**
Disposals	(9)	-	**(9)**
At 31st March 2025	**2,362**	**(262)**	**2,100**

The parent company's subsidiaries are shown in note 48.

40 Trade and other receivables

	2025 £m	2024 £m
Current		
Trade receivables	127	110
Contract receivables	22	33
Amounts receivable from subsidiaries	1,587	1,655
Prepayments	29	36
Value added tax and other sales tax receivable	33	35
Amounts receivable under precious metal sale and repurchase agreements	282	417
Other receivables	57	49
Trade and other receivables	**2,137**	**2,335**

	2025 £m	2024 £m
Non-current		
Amounts receivable from subsidiaries	1,091	653
Advance payments to customers	32	29
Other receivables	**1,123**	**682**

Of the parent company's amounts receivable from subsidiaries, £140 million is impaired (2024: £140 million). Future expected credit losses on intercompany receivables are immaterial.

Trade receivables and contract receivables are net of expected credit losses.

41 Derivative financial instruments

The parent company non-current derivative financial instrument assets and liabilities are consistent with the group balances - see note 18.

	2025 £m	2024 £m
Current assets		
Forward foreign exchange contracts designated as cash flow hedges	9	10
Forward precious metal price contracts designated as cash flow hedges	31	41
Forward foreign exchange contracts and currency swaps at fair value through profit or loss	5	6
Cross currency and interest rate swaps	13	-
Derivative financial instruments	**58**	**57**

	2025 £m	2024 £m
Current liabilities		
Forward foreign exchange contracts designated as cash flow hedges	(4)	(8)
Forward foreign exchange contracts and currency swaps at fair value through profit or loss	(11)	(4)
Foreign exchange swaps designated as hedges of a net investment in foreign operations	-	(2)
Cross currency and interest rate swaps	(1)	-
Derivative financial instruments	**(16)**	**(14)**

Note, to simplify the primary statements we have represented the prior year comparative balances in the Statement of Financial Position to include 'Other financial assets and liabilities' and 'Interest rate swaps' within the singular line 'Derivative financial instruments'.

42 Post-employment benefits

The parent company is the sponsoring employer of the group's UK defined benefit pension plan and the UK post-retirement medical benefits plan. There is no contractual agreement or stated policy for charging the net defined benefit cost for the plans to the individual group entities. The parent company recognises the net defined benefit cost for these plans and information is disclosed in note 24.

43 Inventories

	2025 £m	2024 £m
Raw materials and consumables	32	44
Work in progress	270	374
Finished goods and goods for resale	70	64
Inventories	**372**	**482**

Write-downs of inventories amounted to £nil (2024: £nil). These were recognised as an expense during the year ended 31st March 2025 and included in cost of sales in the income statement.

44 Trade and other payables

	2025 £m	2024 £m
Current		
Trade payables	272	258
Contract liabilities	12	33
Amounts payable to subsidiaries	3,546	2,865
Accruals	189	169
Amounts payable under precious metal sale and repurchase agreements	654	810
Other payables	133	100
Trade and other payables	**4,806**	**4,235**
Non-current		
Amounts payable to subsidiaries	5	4
Other payables	1	1
Trade and other payables	**6**	**5**

45 Borrowings

The parent company's non-current borrowings are consistent with the group balances with the exception of the cross currency interest rate swaps of £nil (2024: £3 million) which are designated as fair value hedges instead of net investment hedges - see note 20.

	2025 £m	2024 £m
Current		
3.57% £65 million Bonds 2024	-	(65)
3.565% 50 million KfW loan 2024	-	(40)
3.14% 130 million Bonds 2025	(100)	-
1.40% €77 million Bonds 2025	(63)	-
2.54% £45 million Bonds 2025	(45)	-
3.79% 130 million Bonds 2025	(100)	-
Borrowings	**(308)**	**(105)**

46 Provisions

	Restructuring provisions £m	Other provisions £m	Total £m
At 31st March 2024	**23**	**54**	**77**
Charge for the year	-	5	**5**
Net sale of metal	-	(7)	**(7)**
Utilised	(16)	-	**(16)**
At 31st March 2025	**7**	**52**	**59**

	2025 £m	2024 £m
Current	**57**	76
Non-current	**2**	1
Total provisions	**59**	**77**

The restructuring provisions are part of the parent company's efficiency initiatives and are expected to be utilised within one year.

The other provisions include provisions to buy metal to cover short positions created by the parent company selling metal to cover price risk on metal owned by subsidiaries. Amounts provided reflect management's best estimate of the expenditure required to settle the obligations at the balance sheet date and are expected to be utilised within one year.

The parent company also guarantees some of its subsidiaries' borrowings and its exposure at 31st March 2025 was £20 million (2024: £2 million).

47 Share capital and other reserves

Share capital and dividends

The parent company's disclosures relating to share capital, dividends and purchase of treasury shares are consistent with the group disclosures. Refer to note 25 for further information.

Other reserves

		Hedging reserve			
	Capital redemption reserve £m	Forward currency contracts £m	Cross currency swaps £m	Forward metal contracts £m	Total other reserves £m
At 1st April 2023	13	(3)	1	60	71
Cash flow hedges — gains / (losses) taken to equity	-	8	(4)	27	31
Cash flow hedges — transferred to revenue (income statement)	-	4	-	(31)	(27)
Cash flow hedges — transferred to cost of sales (income statement)	-	(5)	-	-	(5)
Cash flow hedges — transferred to foreign exchange (income statement)	-	-	2	-	2
Tax on items taken directly to or transferred from equity	-	(6)	-	6	-
At 31st March 2024	**13**	**(2)**	**(1)**	**62**	**72**
Cash flow hedges — gains / (losses) taken to equity	-	7	1	(2)	**6**
Cash flow hedges — transferred to revenue (income statement)	-	(3)	-	(41)	**(44)**
Cash flow hedges — transferred to cost of sales (income statement)	-	(2)	-	-	**(2)**
Cash flow hedges — transferred to foreign exchange (income statement)	-	-	2	-	**2**
Cancelled ordinary shares from share buyback	18	-	-	-	**18**
Tax on items taken directly to or transferred from equity	-	-	-	10	**10**
At 31st March 2025	**31**	**-**	**2**	**29**	**62**

48 Related undertakings

A full list of related undertakings at 31st March 2025 (comprising subsidiaries, joint ventures and associates) is set out below. Those held directly by the parent company are marked with an asterisk (*) and those held jointly by the parent company and a subsidiary are marked with a cross (+). All the companies are wholly owned unless otherwise stated. All the related undertakings are involved in the principal activities of the group. Unless otherwise stated, the share class of each related undertaking comprises ordinary shares only. As permitted by section 479A of the Companies Act 2006, the Company intends to take advantage of the audit exemption in relation to the individual accounts of the companies marked with a hash (#).

Entity	Registered address

+ Johnson Matthey Argentina S.A.	Tucumán 1, Piso 4, C1049AAA, Buenos Aires, Argentina
+ Johnson Matthey Belgium	Pegasuslaan 5 1831 Machelen (Brab.), Belgium
The Argent Insurance Co. Limited	Rosebank Centre, 5th Floor, 11 Bermudiana Road, Pembroke HM08, Bermuda
Johnson Matthey Brasil Ltda	Rua Olimpiadas, 205 - 4º andar, Sala 438, Edifício Continental Square, Vila Olímpia, São Paulo, CEP 04.551-000, Brazil
Johnson Matthey Canada, Inc	340 Albert Street, Suite 1400. Ottawa, Ontario, Canada, K1R 0A5
Johnson Matthey Argillon (Shanghai) Emission Control Technologies Ltd	Ground Floor, Building 2, No. 298 Rongle East Road, Songjiang Industrial Zone, Shanghai 201613, China
Johnson Matthey Battery Materials (Changzhou) Co., Ltd	A10 Building, No.2 Xinzhu Road, Xinbei District, Changzhou, China
Johnson Matthey Chemical Process Technologies (Shanghai) Company Limited	Room 1066, Building 1, No 215 Lian He Bei Lu, Fengxian District, Shanghai, China
Johnson Matthey (China) Trade Co., Ltd	2nd Floor, Office Block, Building No. 7, No 298 Rongle East Road, Songjiang District, Shanghai, China
Johnson Matthey Clean Energy Technologies (Beijing) Co., Ltd	Unit 01, 14th Floor, Building A, No. 2 Workers' Stadium North Road Jia, Chaoyang District, Beijing, China
Johnson Matthey (Shanghai) Catalyst Co., Ltd	586 Dongxing Road, Songjiang Industrial Zone, Shanghai, 201613, China
Johnson Matthey (Shanghai) Chemicals Limited	588 and 598 Dongxing Road, Songjiang Industry Zone, Shanghai, 201613, China
Johnson Matthey (Shanghai) Hydrogen Technologies Co., Ltd	JT7575, Room 108, Floor 1, Building 1, No 6988 Jiasong North Road, Anting Town, Jiading District, Shanghai, PRC
Johnson Matthey (Shanghai) Trading Limited	Room 1615B, No. 118 Xinling Road, China (Shanghai), China
Johnson Matthey (Tianjin) Chemical Co., Ltd (in liquidation)	Room 2007, No. 16, Third Avenue, Tianjin Economic-Technological Development Zone, Tianjin, China
Johnson Matthey (Zhangjiagang) Environmental Protection Technology Co., Ltd	No. 9 Dongxin Road, Jiangsu Yangtze River International Chemical Industrial Park, Jiangsu Province, Jiangsu, 215634, China
Johnson Matthey (Zhangjiagang) Precious Metal Technology Co. Ltd	No. 48, the west of Beijing Road, Yangtze River International Chemical Industrial Park, Jiangsu, China
Johnson Matthey A/S	c/o DLA Piper Denmark, Oslo Plads 2, DK-2100 Copenhagen, Denmark
* JMEPS Trustees Limited	5th Floor, 2 Gresham Street, London EC2V 7AD, United Kingdom
* Johnson Matthey Battery Materials Limited	5th Floor, 2 Gresham Street, London EC2V 7AD, United Kingdom
* Johnson Matthey Davy Technologies Limited	5th Floor, 2 Gresham Street, London EC2V 7AD, United Kingdom
* Johnson Matthey Hydrogen Technologies Limited[1]	5th Floor, 2 Gresham Street, London EC2V 7AD, United Kingdom
# Johnson Matthey Investments Limited (01004368)	5th Floor, 2 Gresham Street, London EC2V 7AD, United Kingdom
+ Johnson Matthey (Nominees) Limited	5th Floor, 2 Gresham Street, London EC2V 7AD, United Kingdom
* Johnson Matthey Precious Metals Limited	5th Floor, 2 Gresham Street, London EC2V 7AD, United Kingdom
Johnson Matthey South Africa Holdings Limited	5th Floor, 2 Gresham Street, London EC2V 7AD, United Kingdom
# Johnson Matthey Tianjin Holdings Limited (5391061)	5th Floor, 2 Gresham Street, London EC2V 7AD, United Kingdom
*# Johnson Matthey UK Holdings Limited (14090567)	5th Floor, 2 Gresham Street, London, EC2V 7AD, United Kingdom
+# Matthey Finance Limited (301279)	5th Floor, 2 Gresham Street, London, EC2V 7AD, United Kingdom
*# Matthey Holdings Limited (03130188)	5th Floor, 2 Gresham Street, London, EC2V 7AD, United Kingdom
Johnson Matthey Battery Materials Finland Oy	c/o Asianajotoimisto, Krogerus Oy, Unioninkatu 22, Helsinki, 00130, Finland
Johnson Matthey SAS	Immeuble B, 41 rue Delizy, 93500 Pantin, France
Johnson Matthey Catalysts (Germany) GmbH	Bahnhofstrasse 43, 96257 Redwitz an der Rodach, Germany
Johnson Matthey Chemicals GmbH	Wardstrasse 17, D-46446 Emmerich am Rhein, Germany
Johnson Matthey Deutschland GmbH	Otto-Volger-Strasse 9b, 65843, Sulzbach, Taunus, Germany
Johnson Matthey Pacific Limited[2]	Unit 4-6, 8/F, 909 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong
+ Johnson Matthey Chemicals India Private Limited	Plot No 6A, MIDC Industrial Estate, Taloja, Maharashtra, 410208 India

	410208 India
Johnson Matthey India Private Limited	Regus Business Centre, 5th Floor, Caddie Commercial Tower - Aerocity, New Delhi, 110037, India
Johnson Matthey Italia S.r.l.	Torino, Corso Trapani 16, Italy
Johnson Matthey Fuel Cells Japan Limited	5123-3 Kitsuregawa, Sakura-shi, Tochigi, Japan
Johnson Matthey Japan Godo Kaisha	5123-3 Kitsuregawa, Sakura-shi, Tochigi, Japan
Johnson Matthey Global Business Services Lithuania UAB	Konstitucijos prospektas 18B, Vilnius, LT- 09308, Lithuania
* Johnson Matthey Sdn. Bhd.	Suite 13.03, 13th Floor, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
Johnson Matthey Services Sdn. Bhd.	Suite 13.03, 13th Floor, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
Johnson Matthey de Mexico, S. de R.L. de C.V.	c/o Cacheaux, Cavazos and Newton, No. 437 Col. Colinas del Cimatario, Queretaro, CP 76090, Mexico
Johnson Matthey Servicios, S. de R.L. de C.V.	c/o Cacheaux, Cavazos and Newton, No. 437 Col. Colinas del Cimatario, Queretaro, CP 76090, Mexico
Intercat Europe B.V.	Robert Schumandomein 2, Begane Grond & 2de Verdieping, 6229 ES, Maastricht, The Netherlands
Johnson Matthey International Management Services B.V.	Javastraat 12, 3016 CE, Rotterdam, The Netherlands
Johnson Matthey Netherlands 2 B.V.	Javastraat 12, 3016 CE, Rotterdam, The Netherlands
Matthey Finance B.V.[1]	5th Floor, 2 Gresham Street, London, EC2V 7AD, United Kingdom
Johnson Matthey DOOEL Skopje	Technological Industrial Development Zone Bunardzik, Ilinden, Republic of North Macedonia
Johnson Matthey Poland Spółka z ograniczoną odpowiedzialnością	ul. Alberta Einsteina 6, 44-109, Gliwice, Poland
Johnson Matthey Battery Materials Poland Spółka z ograniczoną odpowiedzialnością	ul. Alberta Einsteina 6, 44-109, Gliwice, Poland
+ Macfarlan Smith Portugal, Lda	Largo de São Carlos 3, 1200-410, Lisbon, Portugal
Johnson Matthey Arabia for Business Services LLC	2975, Prince Ahmad Ibn Abdulaziz, 8124 Al Woroud District, 12253, Riyadh, Kingdom of Saudi Arabia
* Johnson Matthey General Partner (Scotland) Limited	c/o DWF LLP, 103 Waterloo Street, Glasgow G2 7BW, United Kingdom
* Johnson Matthey (Scotland) Limited Partnership[3]	c/o DWF LLP, 103 Waterloo Street, Glasgow G2 7BW, United Kingdom
Johnson Matthey Singapore Private Limited	9 Raffles Place, 13-03 Republic Plaza, Singapore, 048619
Johnson Matthey Davy Technologies International Limited (liquidated 12th April 2023 - restored to register 25th October 2024)	5th Floor, 2 Gresham Street, London, EC2V 7AD, United Kingdom
Johnson Matthey (Proprietary) Limited	c/o Thomson Wilks Attorneys, 1st Floor Inanda Greens Business Park 54 Weirda, Weirda Valley, Sandton Gauteng, 2196, Republic of South Africa
Johnson Matthey Research South Africa (Proprietary) Limited	c/o Thomson Wilks Attorneys, 1st Floor Inanda Greens Business Park 54 Weirda, Weirda Valley, Sandton Gauteng, 2196, Republic of South Africa
Johnson Matthey Salts (Proprietary) Limited	c/o Thomson Wilks Attorneys, 1st Floor Inanda Greens Business Park 54 Weirda, Weirda Valley, Sandton Gauteng, 2196, Republic of South Africa
Johnson Matthey Catalysts Korea Limited	(Jung-dong) 802-11, 33 Dongbaek 3-ro 11 beon-gil, Giheung-gu, Yongin-si,Gyeonggi-do, Republic of Korea
Johnson Matthey Korea Limited	(Taepeyongro-1ga), S8020, 8F, 136 Sejong-daero, Jung-gu, Seoul, Republic of Korea
Johnson Matthey AB	Victor Hasselblads Gata 8, 421 31 Västra Frölunda, Göteborg, Sweden
Johnson Matthey Formox AB	SE-284 80, Perstorp, Sweden
Johnson Matthey & Brandenberger AG	c/o PRÜFAG, Wirtschaftsprüfung AG, Badenerstrasse 144, 8004 Zürich, Switzerland
Johnson Matthey Finance Zurich GmbH (in liquidation)	Glatttalstrasse 18, 8052 Zurich, Switzerland

LiFePO4+C Licensing AG	Hertensteinstrasse 51, 6004 Lucerne, Switzerland
Johnson Matthey Services (Trinidad and Tobago) Limited	Queen's Park Place, 17-20 Queens Park West, Port of Spain, Trinidad and Tobago
Stepac Ambalaj Malzemeleri Sanayi Ve Ticaret Anonim Sirketi (in liquidation)	Güzeloba Mah. Rauf Denktaş Cad., No.56/101, Muratpaşa /Antalya, Turkey
Johnson Matthey Catalyst Technologies - LLC - S.P.C.	International Trading Building LLC, Al Bateen, West 35, Abu Dhabi United Arab Emirates
Johnson Matthey Holdings, Inc.	435 Devon Park Drive, Suite 600, Wayne PA 19087, USA
Johnson Matthey Hydrogen Technologies, Inc.	435 Devon Park Drive, Suite 600, Wayne PA 19087, USA
Johnson Matthey Inc.[4]	435 Devon Park Drive, Suite 600, Wayne PA 19087, USA
Johnson Matthey Process Technologies, Inc.	435 Devon Park Drive, Suite 600, Wayne PA 19087, USA
Johnson Matthey Stationary Emissions Control LLC	435 Devon Park Drive, Suite 600, Wayne PA 19087, USA
Johnson Matthey USA Holdings Inc.	435 Devon Park Drive, Suite 600, Wayne PA 19087, USA
Red Maple LLC (50.0%)[5]	Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808, USA
Veranova Parent Holdco L.P. (30.0%)[5]	1209 Orange Street, New Castle County, Wilmington, Delaware, 19801, USA

In some jurisdictions in which the group operates, share classes are not defined and in these instances, for the purpose of disclosure, these holdings have been classified as ordinary shares.

[1] Ordinary and preference shares

[2] Ordinary and non-cumulative redeemable preference shares

[3] Limited partnership, no share capital

[4] Ordinary and series A preferred stock

[5] Joint venture / Associate

Directors' Responsibility Statement

Statement of directors' responsibilities in respect of the Annual Report and Accounts 2025

The directors are responsible for preparing the Annual Report and Accounts and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the group financial statements in accordance with UK-adopted international accounting standards and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101, 'Reduced Disclosure Framework', and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;

- state whether applicable UK-adopted international accounting standards have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the parent company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business.

The directors are responsible for safeguarding the assets of the group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent company, and enable them to ensure that the financial statements and the Directors' remuneration report comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the parent company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The directors consider that the Annual Report and Accounts 2025, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's and parent company's position and performance, business model and strategy.

Each of the directors, whose names and functions are listed in the Governance section of the Annual Report and Accounts 2025, confirm that, to the best of their knowledge:

- the group and parent company financial statements, which have been prepared in accordance with UK adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the group;
- the parent company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the parent company; and
- the Strategic report includes a fair review of the development and performance of the business and the position of the group and parent company, together with a description of the principal risks and uncertainties that it faces.

In the case of each director in office at the date the Directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the group's and parent company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's and parent company's auditors are aware of that information.

The Directors' report and responsibilities statement was approved on 3rd June 2025 and is signed on behalf of the board by:

Simon Price
General Counsel and Company Secretary

Principal Risks

Risk Description	How we mitigate the risk
Business failure through cyber-attack or other IT incident JM faces risks related to its Information and Operational Technology (IT/OT), including failure to adapt to evolving business needs, system disruptions or major cyber-security incidents. These issues could impact business continuity, data integrity and	• Core systems continue to be updated to reduce reliance on legacy systems. • Horizon scanning across the network in place to identify emerging cyber risks. • IT operating model changes have been implemented to better support JM's future needs. • Ongoing cybersecurity awareness training helps employees recognise and prevent vulnerabilities. • Cyber risk champions have been recruited across the

continuity, data integrity and compliance. As with all organisations, JM faces an evolving and volatile threat environment that comprises both geopolitical and criminal threat actors.	organisation to strengthen risk management efforts. • A programme of continuous improvement is in place to ensure JM maintains resilience against an evolving threat environment. • System monitoring and other controls are in place to ensure anomalies are promptly identified and remediated across our systems.
Risk Description	**How we mitigate the risk**
Failure to deliver business value from capital expenditure JM's growth depends on the effective allocation and execution of capital expenditure. Delays, cost overruns, poor investment decisions or ineffective management could undermine expected value, leading to inefficient resource use, reduced competitiveness and failure to meet market and customer needs.	• Creation of board-level Investment Committee to enhance oversight, prioritise capital allocation and ensure effective execution of all capital projects. • We have embedded project frameworks, with business-wide compliance as a key value driver and a foundation of governance. • Delivering the 3rd Century Refining (3CR) project under robust governance. • Learnings from previous capital projects continue to be incorporated, ensuring historical weak points are addressed in the front end planning of new investments.
Risk Description	**How we mitigate the risk**
Failure in one or more of JM's critical operational assets Failure of one or more critical operational assets could disrupt JM's supply chains, performance and reputation. This risk includes ageing infrastructure as well as the growing impact of climate change, such as extreme weather events and natural disasters.	• Critical asset investment continues to be prioritised across the business based on risk exposure. • Continuously improving competency at JM sites to effectively manage engineering risks associated with aged assets consistently. • Strengthening the risk management process to ensure risks are identified, controlled and mitigated in a consistent manner across JM. Managing any outages as efficiently as possible to minimise downtime. • Maintenance standards continue to be improved to ensure consistency across sites. • Climate-related physical risk assessments have been conducted at key sites in line with TCFD recommendations to strengthen resilience against environmental risks.
Risk Description	**How we mitigate the risk**
Breach to security or control of platinum group metals in our processes JM faces security risks due to the high value of its products, site locations and supply chain dependencies. These risks include internal theft, organised crime and challenges in metal reconciliation, which vary across different parts of the business.	• We maintain a robust security management system and security standards to protect our metal holdings. • On-site security capabilities have been improved through partnerships with leading technology and security providers. • Increased focus on security risks at a leadership level driving greater awareness and accountability. • Metal control improvement plans are in place across business units. • Long-term strategic planning around the metal requirements of the group is undertaken to ensure appropriate positioning for the future.
Risk Description	**How we mitigate the risk**
Disruption to our supplier ecosystem and the supply of purchased goods and services JM relies on a global network of suppliers for key materials and services, some of which are highly specialised with limited alternative sources. Emerging industries like hydrogen and sustainable aviation fuel (SAF) have immature supply chains for raw materials, making them particularly vulnerable to disruptions.	• Global category management approach implemented aligning business requirements with supplier strategies. • Developing standardised supplier performance management processes, including due diligence, sustainability assessments, audits and ongoing performance and risk monitoring. • Strengthening and consolidating strategic relationships with selected suppliers. • Improving supplier contracting and JM Customer & Industry End-to-End (E2E) Audits to ensure compliance and stability.
Risk Description	**How we mitigate the risk**
A significant geopolitical or macroeconomic event impacting JM's operations JM's global footprint exposes	• Executing JM's tariff strategy globally, encompassing all countries that JM operates within. • Active advocacy within US, Europe and other jurisdictions through government dialogues to promote strategic partnership

JM's global footprint exposes the business to potential disruptions from geopolitical and macroeconomic events, including conflicts, trade disputes, sanctions, pandemics, financial crises and economic instability in key markets.	through government dialogues to promote strategic partnership on PGMs and enhance supply chain resilience. • Ongoing direct engagement with policymakers to secure support for technologies and processes that our customers are advancing, including: FT-SAF, LCH and green hydrogen. • Continuing to use a 'China-for-China' approach in decision-making and de-risking supply chains through localisation and supplier diversification.
Risk Description	**How we mitigate the risk**
Development of offering that do not meet the future needs of customers A failure to develop competitive solutions - such as products, licensing and technical services - that align with evolving customer needs and market trends. This includes challenges in identifying customer expectations, translating them into effective R&D and scaling new technologies for industrial use.	• Leveraging our strong relationships with customers and suppliers to identify current and future needs that can be addressed through JM's innovation portfolio. • A common set of scenarios used to understand, identify and prioritise opportunities in emerging markets. • Enhanced by technology scanning and engagement in collaborative R&D projects with external partners. • Applying differentiated portfolio management and investment approaches to support both mature and growth businesses appropriately. This includes the use of New Product Introduction processes to ensure effective execution to value from R&D investments. • Promoting cross functional secondments to drive talent development and promote knowledge sharing between technical and commercial teams.
Risk Description	**How we mitigate the risk**
A low-performing culture undermines our strategy A low-performing organisation characterised by an insufficiently engaged and inclusive workforce, or a misalignment of skills and talent, would impact our ability to execute our strategy successfully.	• Education of all people managers so they clearly understand what is expected of them, monitoring their effectiveness through employee survey feedback, People Manager Expectations and Engagement Survey twice a year. • Heightened focus on performance management by giving clear feedback, differentiating performance and taking actions to address performance gaps. • Focused investment in commercial skills and engineering • training - focusing available investment in our two strategic areas. • Implementation of our Ignite leadership programme, supporting leaders to focus on the key leadership expectations to drive strategy execution at pace.
Risk Description	**How we mitigate the risk**
Market Factors, customer demand and margin sustainability JM may not accurately predict changes in customer demand, regulation, or market trends, particularly as industries move away from fossil fuels. There is also a risk of missing new opportunities or responding to change too slowly or quickly.	• Strengthened investment governance through a board-level Investment Committee, phased investment approach and targeted de-risking of growth businesses via partnerships and joint ventures, with a strong focus on cash management and disciplined capital allocation. • Ongoing monitoring of leading market indicators to ensure investment is directed towards the most promising and highest return opportunities. • Reinforcing sustainable growth in Catalyst Technologies through enhanced market visibility, strategic partnerships and focused business development. • Implementation of JM Global Services (JMGS) across many operating countries, alongside continuous improvement initiatives, is enhancing operational efficiency and supporting margin sustainability.
Risk Description	**How we mitigate the risk**
A significant work-related EHS incident A major work-related EHS (Environmental, Health and Safety) incident - such as a fire, explosion or toxic gas release - could result from process safety failures or regulatory non-compliance, threatening JM's operations, product portfolios and reputation.	• A strong health and safety culture is maintained through clear policies, training and regular audits. • We have adopted a regional delivery model with 2nd line of defence assurance capabilities to strengthen oversight. • Process safety hazards continue to be managed through deep-dive reviews. • Environmental, regulatory and reputational risks are continuously monitored, with mitigation plans in place. • Implementation of product stewardship inventory management software to allow us to assess substances of concern and meet our regulatory needs.
Risk Description	**How we mitigate the risk**
Unsuccessful delivery of key	• Major transformation programmes are staffed with experienced

Unsuccessful delivery of key business transformation programmes JM's transformation involves multiple programmes aimed at driving growth, efficiency and competitiveness across its businesses. There is a risk that failure to successfully execute these programmes could delay expected benefits, disrupt customer services or lead to a loss of key talent.	• Major transformation programmes are staffed with experienced leaders and subject matter experts. • Ongoing coaching and support ensure alignment with the JM Transformation Standard. • Robust change management and communication plans support key cross-JM initiatives like JM Global Solutions. • Resource conflicts in overlapping programmes are proactively identified and addressed with programme leads.